

DAILY REPORT

China

CONTENTS

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PRC INTERNATIONAL AFFAIRS

UNITED STATES

Yang Dezhi Meets U.S. Marine Corps Commandant	B 1
JIEFANGJUN BAO Reviews Book on U.S. Democracy [1 Mar]	B 1
New Quarterly To Promote American Studies [CHINA DAILY 10 Mar]	B 2

SOVIET UNION

Commentary on 'Limited Results' of Shevardnadze Tour	C 1
XINHUA Interviews Political Science Leader on Reforms	C 2

WESTERN EUROPE

Wu Xueqian Arrives in Italy for Visit	G 1
Meets Andreotti	G 1
Britain's Princess Margaret To Visit in May	G 2
NPC Delegation Leaves for Greece, Netherlands	G 2
Arrives in Greece	G 2
Rong Yiren Holds Talks	G 3
Banquet Held	G 4
Rong Meets Greek President	G 4
Visit to Greece Ends	G 5
Arrival in Netherlands	G 5
Delegation Visits Garden	G 6
Rong Meets Parliamentary Leader	G 6
Rong Talks With Officials	G 7
Rong, Lubbers Discuss Relations	G 7
Delegation Meets Foreign Minister	G 8
Netherlands Consort Receives Rong	G 9
Rong Meets Overseas Chinese	G 9
Delegation Returns From Visits	G 10
PRC Technology Introduced at Space Forum	G 10

EASTERN EUROPE

Wu Xueqian Meets Bulgaria's Zhivkov, Atanasov	H 1
Wu Interviewed on Cooperation, Relations, Progress [Prague RUDE PRAVO 12 Mar]	H 1
GDR's Honecker Anticipates Zhao Ziyang Visit	H 4
Chen Muhua Arrives in SFRY for Trade Talks	H 4
Meets Milosavljevic	H 4
Cooperation Discussed	H 5

MIDDLE EAST & AFRICA

PDRY Prime Minister, Delegation Visit PRC	I 1
Zhao Ziyang Welcomes Nu'man	I 1
Zhao, Nu'man Hold Talks	I 1
Zhao Hosts Banquet	I 2
Banquet Speeches [Aden]	I 4
Nu'man Tours Beijing	I 5
Li Xiannian Meets Nu'man	I 5
Six Agreements Signed	I 6
Leave Beijing for Guangdong	I 7
Tour Guangdong	I 7
Ye Xuanping Hosts Nu'man	I 7
Zhang Zhijie Meets With PDRY Housing Minister	I 8
PRC, Egypt Sign Scientific, Technical Protocol	I 8

PRC NATIONAL AFFAIRS

Hu Yaobang 'Probably' To Appear at NPC Session [SOUTH CHINA MORNING POST 17 Mar]	K 1
AFP Reports on Closing of Publications	K 2
LIAOWANG on PRC Satellite Service for Foreigners [OVERSEAS EDITION 9 Mar]	K 3
RENMIN RIBAO on Lu Xun, 'Total Westernization' [6 Mar]	K 7
New President of Academy of Sciences Interviewed	K 10
Hu Qiaomu Encourages Reforming Shanghai Student [JIEFANG RIBAO 7 Mar]	K 11
Steady Growth of Economy Reported in Jan-Feb	K 12
Zhang Ruiying on Extension of Working Hours [GONGREN RIBAO 4 Mar]	K 13
Importation of Foreign Technology Continues	K 14
Commentator Urges Preventing Abnormal Spending [NONGMIN RIBAO 5 Mar]	K 15
Hong Kong Paper on Currency Risks in PRC Firms [SOUTH CHINA MORNING POST 14 Mar]	K 16
Village Committee Rules Explained at NPC Session	K 17
NPC Session Deliberates on Enterprise Law	K 18
Discipline Commission Circular on Work Ethics	K 20
GONGREN RIBAO on Entrepreneurs' Position [27 Feb]	K 21
JINGJI RIBAO on Reform, Economic Development [14 Feb]	K 24
LIAOWANG on PRC-Foreign Business Cooperation [OVERSEAS EDITION 9 Mar]	K 27
RENMIN RIBAO Carries HONGQI No 6 Table of Contents [15 Mar]	K 30

PRC REGIONAL AFFAIRS

EAST REGION

Fujian's Chen Guangyi Inspects Poor Townships [FUJIAN RIBAO 1 Mar]	O 1
Speaks on Eliminating Poverty	O 1
Chen Guangyi Addresses Fujian Economic Meeting [FUJIAN RIBAO 3 Mar]	O 2
Liang Buting at Shandong Economic Meeting	O 3
Zhejiang Secretary Addresses Bank Directors	O 4

CENTRAL-SOUTH REGION

Guangdong's Lin Ruo Stresses United Front Work	P 1
Guangdong County Cracks Case of Secret Society [Maoming TV]	P 1
Guangxi Party Committee Holds Plenary Session	P 2
Hubei Promotes Rural Party Rectification	P 2
Hubei's Guan Guangfu Discusses Party Style	P 3
Zhao Baojiang Appointed New Mayor of Wuhan	P 4
Hunan Advisory Commission Meeting Views Tasks	P 5

SOUTHWEST REGION

Sichuan Secretary Speaks at Rural Work Conference	Q 1
Meeting Sets Tasks, Goals	Q 1

NORTH REGION

Shanxi Leaders Meet People's Congress Deputies	R 1
Session Concludes 15 Mar	R 1
Tianjin's Li Ruihuan Promotes Practicing Economy	R 1

NORTHEAST REGION

Heilongjiang People's Congress Session Ends	S 1
Heilongjiang's Sun Weiben's Article on Aged	S 2
Jilin's Gao Di at People's Congress Work Meeting	S 2
Liaoning's Quan Shuren Reviews Educational Work	S 3
Liaoning's Wang Yachen Elected Mayor of Fuxin	S 4

NORTHWEST REGION

Qinghai Sets Up Reserve Infantry Regiment	T 1
Xinjiang Ruling on CPC Party Discipline, Spirit	T 1

HONG KONG & MACAO

MACAO

PRC-Portuguese Talks on Macao To Open 18 Mar	W 1
Macao Agreement Not Necessary Before NPC Session [SOUTH CHINA MORNING POST 14 Mar]	W 1
PRC, Portugal Set To Agree on 1999 Handover [AFP]	W 1
PFC Expects Accord 'Within Next Few Days' [AFP]	W 2

YANG DEZHI MEETS U.S. MARINE CORPS COMMANDANT

HK161238 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1155 GMT 16 Mar 87

[Text] Beijing, 16 Mar (ZHONGGUO XINWEN SHE) -- PLA Chief of Staff Yang Dezhi met with U.S. Marine Corps Commandant Kelley and members of his party at the Great Hall of the People this afternoon.

In their joyful conversation, Yang Dezhi expressed his warm welcome to General Kelley and reviewed their meeting in the United States last spring when Yang was visiting the country. He wished that the friendly relations between China and the United States, between the two peoples, and between the two Armies would continue to develop.

Kelley also hoped that the Navy and Marine Corps of the two countries would strengthen their contacts and develop their friendship. He said that his current visit to China was the start of the contacts between the Marine Corps of the two countries.

Kelley and his party visited a Chinese tank unit this morning and watched its display of military skills. They will leave Beijing tomorrow morning to continue their visit in Guilin, Zhanjiang, and Guangzhou.

JIEFANGJUN BAO REVIEWS BOOK ON U.S. DEMOCRACY

HK070304 Beijing JIEFANGJUN BAO in Chinese 1 Mar 87 p 3

[Article by Chuan Ji (0278 2817): "What Is Western Democracy, After All? -- A Review of 'Random Talks on the American Democratic System'"]

[Text] Recently, some people in China have advocated Western democracy, freedom, total Westernization, and the idea of carrying out political reform after the Western political pattern. But some of them do not quite understand Western democracy and politics, thinking that the Western world is a "free paradise" where people can enjoy "limitless democracy" and "absolute freedom." But what are the facts? How should we view Western democracy?

Comrade Hua Hui's new book entitled "Random Talks on the American Democratic System" provides us with some information about Western democracy. He cites a host of facts to explain the actual role and class nature of the American democratic system. This book has distinctive features and is quite inspiring.

The book is divided into three parts:

The first part consists of the "Foundation of the 'Free World' -- The Basic Content of the American Democratic System." The writer gives a brief description of the U.S. congressional system, including the electoral system, the separation of the three powers (legislative, judicial, and administrative powers), and the two party system.

In the second part, which deals with "Dreams and Reality -- Problems in the Course of the Enforcement of the American Democratic System," the writer gives further explanations on the two aspects of the American democratic system -- the political system and civil rights. For example, do the American people really enjoy full democracy, freedom, and equality under the banner of "men born equal"? [paragraph continues]

From the writer's explanations on the real situations of the people's belief, speeches, demonstrations, economy, welfare, and law, we know that the American people receive unequal treatment and that the "paradise" is not enjoyed by the poor. In the political system, Congress and "special interest groups" are using and collaborating with each other, and Congress is but a tool of a small number of people. In particular, the chapter on "electoral fraud" exposes the true nature of the so-called democratic elections in the United States -- "money" is the milk in political life and an election campaign is but a campaign of money. In such a campaign, politicians make wild boasts about their commitments. This is merely a means of canvassing for votes. There are numerous ugly performances and unheard-of stories in every election campaign. To score victory in elections, both sides resort to every possible means, open and concealed, bloody and bloodless. The writer also makes a detailed analysis of the U.S. two party system. This two party system is lauded as the "supreme example of U.S. democracy." The two parties take turn in assuming power, and attack each other. Seemingly, this manifests the American people's democracy. But what are the facts? There is no fundamental difference between the two parties. Neither has an explicit political program or a fixed organization. A political party is but a tool of campaign and a means to deceive the people. The "separation of the three powers" was once the loftiest ideal pursued by some bourgeois civil liberalists and was regarded as a "panacea" for stopping autocracy. Now it has been distorted and trampled underfoot in the United States.

These are just the manifestations of U.S. "democratic politics," just a view of the icy mountain. In the third part, the writer "uncovers the veil of the American democratic system -- who runs the United States?" By giving a host of facts, the writer further analyzes that the real ruler of the United States is the monopoly capitalist class. The huge wealth of the United States is in the hands of a small number of financial groups and magnates. The so-called American interests are their interests. They are the real rulers of the United States. This part is the core of the book and is the most interesting.

This book enables its readers to have an objective and profound understanding of U.S. "democracy" and to see through its hypocritical class nature. The United States is not a "paradise" or "holy land" as some people have glorified!

NEW QUARTERLY TO PROMOTE AMERICAN STUDIES

HK100418 Beijing CHINA DAILY in English 10 Mar 87 p 5

[Excerpt] AMERICAN STUDIES, an academic quarterly in Chinese carrying scholarly articles about politics, the economy, military and foreign affairs, science and technology as well as the art and literature of the United States -- the first of its kind in China -- has just been launched. The editor-in-chief, Li Shengzhi, stresses that his publication will provide a common meeting ground for scholars working on all aspects of social science and humanities connected with American studies.

It plans to present an overall, balanced view of the United States and upgrade American studies as a whole. With the Chinese Academy of Social Sciences' Institute of American Studies as a base, such a forum would do much to promote American studies and explore American experiences and basic American values. [passage omitted]

COMMENTARY ON 'LIMITED RESULTS' OF SHEVARDNADZE TOUR

OW161306 Beijing in Vietnamese to Vietnam 1400 GMT 14 Mar 87

[Unattributed commentary: "Soviet Foreign Minister's Asia-Pacific Tour"]

[Text] From 2 to 13 March, after making a stopover in Thailand, Soviet Minister of Foreign Affairs Shevardnadze visited Australia and Indonesia and then Laos, the Phnom Penh puppet administration, and Vietnam, thus causing everyone to pay heed to the Soviet Union's moves in the Asia-Pacific region, following Gorbachev's Vladivostok speech.

The Soviet minister of foreign affairs said that his tour was aimed at strengthening the bilateral relations between the Soviet Union and the countries in this region and at publicizing the so-called new thinking recently suggested by the Soviet Union, in conformity with realities in the space age. But there were indications that Shevardnadze's tour was aimed to a great extent at finding a political solution to the Cambodian issue, which has remained an obstacle to the improvement of relations between the Soviet Union and the countries in the Asia-Pacific region, especially the ASEAN nations. These countries have shown great concern over the Cambodian issue. Indonesia, an ASEAN member, and Australia will certainly have an impact on the settlement of this issue. Through his tour, the Soviet minister of foreign affairs surely intended to grasp the thoughts of these two countries and see how his plan would be implemented so that he could discuss with the Vietnamese authorities in Hanoi ways to deal with the problem.

In his stopover in Thailand, the Soviet minister of foreign affairs exchanged views with the Thai leaders on the Cambodian issue. At the same time, he created the impression that the issue might be settled in accordance with Afghanistan's formula of indirect talks. This proves that the Soviet Union can develop its role in the Cambodian issue. Meanwhile, the minister of national affairs of India also held talks on the Cambodian issue in Jakarta and Bangkok. Shevardnadze, while on his way back home, was supposed to make a stopover in India. It is assumed that India and the Soviet Union have agreed on a certain proposal on Cambodia.

We can realize from the actual situation that during his tour, Shevardnadze could achieve nothing on the Cambodian issue. At his press conference in Bangkok, he himself admitted that the Soviet Union and Thailand had different opinions on the Cambodian issue. The Australian foreign minister has reaffirmed his stance of opposing Vietnam's occupation of Cambodia while showing his concern over the Soviet Union's intensified activities in the South Pacific. After holding talks with his Soviet counterpart, the minister of foreign affairs of Indonesia said that the ASEAN bloc and the Soviet Union had divergent views in principle on a solution to the Cambodian issue, because the latter had insisted that this issue be settled on the basis of recognition of the Heng Samrin administration. Meanwhile, the ASEAN countries recognize the Coalition Government of Democratic Kampuchea [CGDK] as the only legitimate representative of the Cambodian people.

Shevardnadze also expressed his desire to continue his search for a conciliatory solution, but he affirmed his support for Vietnam's plan aimed at excluding the Khmer Rouge; that is, Democratic Kampuchea. During his tour of the Asia-Pacific region, despite his zealous efforts on the Cambodian issue, the Soviet minister of foreign affairs many times reiterated support for Vietnam's arrogant stance. For this reason, world public opinion believes that he did not advance a new proposal on the Cambodian issue during his Asia-Pacific tour.

On the Soviet minister of foreign affairs' tour, a CGDK spokesman issued a statement pointing out that he had spoken a great deal on the Cambodian issue to attract public attention, but currently there are no indications that the Soviet Union will end its aid to Vietnam's aggression in Cambodia and that Vietnam will cease its aggressive war and withdraw its troops from Cambodia. Of course, in his Asia-Pacific tour, Shevardnadze gained some results in the development of bilateral relations with relevant countries and reached a number of agreements. The foreign ministers or leaders of Thailand, Australia, and Indonesia accepted invitations to visit the Soviet Union. But, as mentioned above, since the Soviet Union's basic stance on the Cambodian issue has remained unchanged, many ASEAN countries have made known that they will take a step toward developing political relations with the Soviet Union only when the latter ends its aid to Vietnam's aggression in Cambodia. As far as the development of bilateral relations with the countries in the Asia-Pacific region is concerned, the Soviet Union has gained certain limited results.

XINHUA INTERVIEWS POLITICAL SCIENCE LEADER ON REFORMS

OW150955 Beijing in Russian to the USSR 1800 GMT 13 Mar 87

[Text] Dear Soviet radio listeners: Georgiy Shakhnazarov, chairman of the Soviet Association of Political Science and vice president of the International Association of Political Science, has recently given an interview to a XINHUA correspondent in Moscow. During the interview he stressed the importance of the political reforms in the Soviet Union. He said: The deeper we went into the problem of renovation of society, the more we understood that we could not achieve anything without political reforms and changes, without improvements in the political system, since everything depends on the human factor. All the people must be involved in this.

As to the structure of the socialist political system, Shakhnazarov said that at least some radical changes are needed here, because the socialist political system has lasted a long period, 70 years. The system has more or less taken shape. But that does not mean that there should not be any changes in its structure. Take the electoral system. What is needed here is not just a change of policy but a reform of the system itself. He said that the issuance of instructions is now one of the most intricate and difficult tasks. Very many party and government decisions have been published. They provide wide scope for the development of democracy. There is also a large number of old instructions. They amount to tens of thousands. Many of the old instructions should have been rescinded long ago. A large amount of work will have to be done by jurists and party and state organs.

Shakhnazarov also stressed the need to learn democracy anew. He thinks that there is nothing shameful in that. In order to fully bring back the attractiveness of socialist ideals, to make socialism better, it is necessary to study democracy once again. In order to achieve this, it is necessary that every man fully fulfills his duties, manages to skillfully defend his rights, and gradually takes the road of democracy. Dealing with the distinction between democracy and bourgeois liberalization, he said: This naturally is not a simple issue because sometimes it is easy to cross the dividing line one way or the other. Our only criterion is socialism, consolidating socialism, and serving socialism. Dwelling on the role of the party in the development of democracy, Shakhnazarov said that it is not possible to build and develop socialism without the guiding role of the party, because this role is expressed mainly in the development of political development trends. Party organizations must be mainly preoccupied with the cadres and the education of people, and not substitute for government organs, he said.

WU XUEQIAN ARRIVES IN ITALY FOR VISIT

OW170852 Beijing XINHUA in English 0845 GMT 17 Mar 87

[Text] Rome, March 16 (XINHUA) -- China will not halt its ongoing economic and political reforms but will make it a long-term task, visiting Chinese Foreign Minister Wu Xueqian said here today.

China will perfect the socialist democracy and at the same time strengthen the socialist legal system, said Wu, also a Chinese state councillor.

He made the remarks in an interview with Italian No 3 Television Station.

Wu said that the purpose of his present visit to West Europe is to exchange views to promote better understanding and expand economic cooperations.

"China's open policy to the world will not change," Wu said. "Cooperation between Europe and China has a bright future."

The Chinese foreign minister called on the superpowers to reach a disarmament agreement in the interests of world peace.

The Chinese minister arrived here this afternoon.

Meets Andreotti

OW170902 Beijing XINHUA in English 0848 GMT 17 Mar 87

[Text] Rome, March 16 (XINHUA) -- Italian Foreign Minister Giulio Andreotti tonight held talks here with visiting Chinese Foreign Minister Wu Xueqian on the international situation and bilateral relations.

During their meeting, both ministers said they were satisfied with the development of bilateral relations, especially in the scientific, technical, commercial and economic fields.

The ministers also expressed their concern about current world tension.

Later, Andreotti held a large banquet in Wu's honor. Andreotti told his guest that Italy hopes for China's success in its modernization program and wants to help China realize its goals.

The Italian foreign minister said both countries agreed on international problems and Italy was keen to hear China's view of the recent Soviet and American disarmament proposals.

Wu, who is also a state councillor, spoke highly of Italy's contributions to the easing of world tension and its defense of peace in the Mediterranean.

He said Italy is one of China's major partners for cooperation in Western Europe and China wants to work with Italy and other countries in defending world peace and achieving nuclear disarmament.

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PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

The Chinese foreign minister arrived in Rome this afternoon from Bulgaria, where he paid the first official visit by a Chinese diplomat since 1949.

Italian Foreign Minister Andreotti gave Wu a warm welcome at the Leonardo da Vinci Airport.

BRITAIN'S PRINCESS MARGARET TO VISIT IN MAY

OW161742 Beijing XINHUA in English 1623 GMT 16 Mar 87

[Text] London, March 16 (XINHUA) -- British Princess Margaret, the Queen's sister, and her two children are to pay an official visit to China from May 18 to 27, Kensington Palace spokesman announced today.

Princess Margaret will then leave Viscount Linley and Lady Sarah Armstrong-Jones to go on alone for a two-day visit to Hong Kong.

NPC DELEGATION LEAVES FOR GREECE, NETHERLANDS

OW231622 Beijing XINHUA in English 1458 GMT 23 Feb 87

[Text] Beijing, February 23 (XINHUA) -- A delegation of China's National People's Congress (NPC) led by Vice-Chairman Rong Yiren of the NPC Standing Committee left here this evening on a goodwill visit to Greece and the Netherlands at the invitation of the Parliament of the Hellenic Republic and the Parliament of the Kingdom of the Netherlands.

Seeing the delegation off at the airport was Chen Pixian, vice-chairman of the NPC Standing Committee.

In a written statement at the airport, Rong said, China, Greece and the Netherlands are very friendly countries all working to safeguard world peace and sharing the desire of developing bilateral cooperation.

Rong noted that friendly relations and cooperation in various fields between China and Greece and between China and the Netherlands have made new progress in the recent years.

He said the visit to the two countries provides Chinese legislators a chance to learn from the people of the two countries, exchange experience with the two host parliaments and exchange views with people in economic and financial circles of the two countries on developing mutually beneficial cooperation.

Arrives in Greece

OW251930 Beijing XINHUA in English 1540 GMT 25 Feb 87

[Text] Athens, February 25 (XINHUA) -- A six-member delegation of China's National People's Congress (NPC) arrived here this afternoon on a six-day visit to Greece at the invitation of the Greek Parliament.

Official sources said during their visit here, the Chinese delegation will hold talks with Greek Parliament leaders on strengthening the contact between the two countries.

They will meet Greek Government officials and major political party leaders to discuss ways of enhancing cooperative relations between the two countries.

Headed by Vice-Chairman of the NPC Standing Committee, Rong Yiren, also chairman of the China International Trust and Investment Corporation, is expected to exchange views with Greek economists and financiers on developing mutually beneficial cooperation.

Facing the common objective of developing economy and safeguarding world peace, relations between China and Greece have been developing steadily since diplomatic ties were established in 1972.

Rong Yiren Holds Talks

OW260736 Beijing XINHUA in English 0642 GMT 26 Feb 87

[Text] Athens, February 25 (XINHUA) -- Greek Parliament President Ioannis Alevras this evening held talks with a Chinese National People's Congress (NPC) delegation on the promotion of understanding and relations between the parliaments and people of the two nations.

During the talks, both sides expressed satisfaction with the development of the friendly and cooperative relations between the two countries.

Alevras, who led a Greek Parliament delegation to China in 1983, said the Greek people are encouraged by the achievements of the Chinese people in invigorating their economy and improving their living standards.

He expressed the belief that China will play a more and more important role in world affairs. "The more achievements China makes, the more secure world peace will be," Alevras said.

Rong Yiren, vice-chairman of the NPC Standing Committee and head of the six-member Chinese delegation, told Alevras that though far apart geographically, China and Greece have many things in common.

"The two countries share identical or similar views on many major international issues, particularly in safeguarding world peace," Rong said.

He expressed the hope that his current visit would help strengthen the exchanges between the Chinese and Greek parliamentarians and promote relations between the two countries.

Later this evening, Rong also had friendly talks with Konstandinos Mitsotakis, leader of the main opposition party New Democracy.

The Chinese delegation arrived here this afternoon on a six-day visit to Greece at the invitation of the Greek Parliament.

Banquet Held

OW270805 Beijing XINHUA in English 0717 GMT 27 Feb 87

[Text] Athens, February 26 (XINHUA) -- Greece and China share similar views on many major international issues and are working to safeguard world peace, Greek Parliament President Ioannis Alevras said this evening at a banquet for a visiting Chinese delegation of the National People's Congress (NPC).

Alevras said both China and Greece pursue independent foreign policy and promote cooperative relations with all countries on the principle of peaceful co-existence.

The Greek Parliament leader said China "has been playing a balancing role in major world affairs which could not be ignored."

He also praised China's present policy and the Chinese people's vigour in developing their economy.

"The Greek people are following with interest the remarkable development in China," Alevras said.

In his reply, Rong Yiren, vice-chairman of the NPC Standing Committee and head of the Chinese delegation, spoke highly of the Greek people's achievements in developing their economy.

He also appreciated the peace initiatives made by the Greek Government and people.

Rong said that the Greek Government and people are playing an important role in maintaining world peace and security by developing friendly relations with all nations.

The Chinese delegation leader hoped that his current visit would help enhance understanding between the two peoples. Kharilaos Florakis, general secretary of the Greek Communist Party, also met with the Chinese NPC delegation this morning.

Rong Meets Greek President

OW272117 Beijing XINHUA in English 1933 GMT 27 Feb 87

[Text] Athens, February 27 (XINHUA) -- Greek President Christos Sartzetakis today praised China for its independent foreign policy and economic achievements.

He told a visiting Chinese delegation of the National People's Congress (NPC) that Greece and China really have many points in common, not only in ancient history and civilization but also in the understanding of present world affairs and in the development of national economies.

"China has been pursuing a really independent foreign policy without any influence from foreign powers and has won remarkable achievements in economic construction," Sartzetakis said.

The Greek president said his people are following "with admiration and interest" developments in China and expect more exchanges between the two countries.

Rong Yiren, vice-chairman of the NPC Standing Committee and head of the six-member Chinese delegation, told the Greek head of state that the Chinese Government and people attach great importance to the friendly and cooperative relations between China and Greece.

He invited Sartzetakis, on behalf of Chinese President Li Xiannian, to visit China. The invitation was accepted by the Greek president.

Earlier today, the Chinese parliament delegation, which arrived in Athens on Wednesday for a six-day goodwill visit, met Greek Deputy Prime Minister and National Defense Minister Ioannis Haralambopoulos and had what the delegation officials described as "very friendly" talks on bilateral relations and the international situation.

Visit To Greece Ends

OW022024 Beijing XINHUA in English 1608 GMT 2 Mar 87

[Text] Athens, March 2 (XINHUA) -- A Chinese parliamentary delegation today ended its visit to Greece describing it as "successful and fruitful."

During their six-day visit, the Chinese met with Greek Prime Minister Andreas Papandreu, President Christos Sartzetakis and Parliamentary President Ioannis Alevras on promoting friendly relations between the two countries.

Both sides said during their talks that they shared identical or similar views on many major international issues.

First Vice-President of the Greek Parliament M. Stephanidis bid farewell at the Athens International Airport to Rong Yiren, vice-chairman of the Standing Committee of the Chinese National People's Congress and his delegation.

Rong, who is also chairman of the China International Trust and Investment Corporation, exchanged views with leading Greek entrepreneurs on developing mutually beneficial cooperation between the two countries.

The Chinese visited Greece at the invitation of the Greek Parliament.

Arrival in Netherlands

OW081546 Beijing XINHUA in English 1449 GMT 8 Mar 87

[Text] The Hague, March 8 (XINHUA) -- A senior official of China's National People's Congress (NPC) said here today that friendly relations and cooperation between China and the Netherlands have grown steadily in the past few years.

Rong Yiren, vice chairman of the NPC Standing Committee, arrived here today to head a NPC delegation on a week-long visit at the invitation of the Dutch Parliament.

Developing Sino-Dutch relations "not only suit the interests and wishes of both Chinese and Dutch peoples, but are also in the interests of world peace and stability," Rong said.

Rong said upon arrival that his visit is aimed at promoting mutual understanding and friendship between China's NPC and the Dutch Parliament as well as between the Chinese and Dutch peoples.

During his visit, Rong is expected to meet with Dutch Prime Minister Ruud Lubbers, Deputy Prime Minister and Minister of Economic Affairs Rudolf de Korte, and speakers of both the first and second chambers of the Dutch Parliament.

The delegation is also expected to meet representatives from Dutch industry and business circles.

Delegation Visits Garden

OW100829 Beijing XINHUA in English 0654 GMT 10 Mar 87

[Text] The Hague, March 9 (XINHUA) -- A delegation from China's National People's Congress (NPC) spent day two of its six-day friendly visit with a trip today to a huge flower auction mart and a museum housing old masters.

The delegation, headed by Vice Chairman of the NPC Standing Committee Kong Yireng, watched with interest the computerized flower auction.

Founded in 1923 and now with an area of 25 hectares, the Westland Flower Auction Centre handled 10 million pieces of cut flowers per day with a turnover of 1.2 million guilders (about 550 million U.S. dollars) last year.

It did some 20 percent of the world's flower trade last year.

Westland is called "the Garden of Europe" or "the City of Glass" as it is the world's largest area of horticulture under glass with more than 3,000 hectares of greenhouses.

Rong and his delegation also visited the International Court of Justice and the Post Museum in The Hague this morning.

In the afternoon, the Chinese delegation visited the Dutch State Museum in Amsterdam, where they saw paintings by Dutch painters during the 16th and 17th centuries.

About 2,000 paintings are on display.

Adri Duyvestein, deputy mayor of The Hague, honored the visitors at a luncheon today.

Rong Meets Parliamentary Leader

OW110746 Beijing XINHUA in English 0722 GMT 11 Mar 87

[Text] The Hague, March 11 (XINHUA) -- A Dutch parliamentary leader Tuesday heralded China's open-door policy as allowing increased contacts between China and the Netherlands.

Dr. P.A.J.M. Steenkamp, president of the first chamber of the Dutch States General Parliament told a Chinese parliamentary delegation that he was interested to learn that China's open-door policy is to be extended into the future.

Rong Yireng, vice chairman of China's National People's Congress (NPC) and head of the NPC delegation, which arrived here Sunday on a six-day visit, said China would "not only persist in the policy of invigorating domestic economy and opening to the outside world, but would do an even better job in carrying out this policy."

Rong said that there is no immediate political conflict of interests between China and the Netherlands, saying the two countries can develop economic cooperation.

Rong Talks With Officials

OW102117 Beijing XINHUA in English 1918 GMT 10 Mar 87

[Text] The Hague, March 10 (XINHUA) -- Dutch Deputy Prime Minister Rudolf W. de Korte and presidents of both the first and second chambers of the Dutch Parliament met separately today with a delegation from China's National People's Congress (NPC).

De Korte told Rong Yireng, vice chairman of the NPC Standing Committee and head of the Chinese delegation, that the current visit to the Netherlands is a step forward in the friendly relations between the two countries.

He said the visit by Chinese Premier Zhao Ziyang to the Netherlands in 1985 and the forthcoming visit to China by Dutch Prime Minister Ruud Lubbers in May this year were signs of an expanding relationship between China and the Netherlands.

"We should intensify our relations in various fields and at various levels," he stressed, adding that he welcomes economic and technical cooperation with China.

Rong agreed with De Korte, saying that China and the Netherlands should enhance their cooperation not only in political but also in economic and technical fields.

He explained China's open-door policy and economic reforms and welcomed Dutch investment in China and all forms of economic, scientific and technical cooperation.

President of the First Chamber of Dutch Parliament, P.A.J.M. Steenkamp, and President of the Second Chamber Dirk Dolman also met with China's NPC delegation this morning.

Also this morning, Rong laid a wreath at the monument for the victims of the second world war at the Parliament buildings.

Rong, Lubbers Discuss Relations

OW102114 Beijing XINHUA in English 1910 GMT 10 Mar 87

[Text] The Hague, March 10 (XINHUA) -- Dutch Prime Minister Ruud Lubbers said today he is satisfied with the development of relations between China and the Netherlands and is looking forward to his visit to Beijing in May.

Lubbers made the remarks in a meeting this morning with Rong Yiren, vice chairman of China's National People's Congress (NPC) Standing Committee, and members of an NPC delegation.

Lubbers briefed Rong about the European Community and the problems facing it, while Rong explained China's economic reforms and open-door policy.

Rong assured Lubbers that recent changes in China's leadership would not adversely affect China's current economic reforms and its open-door policy, which, he said, will be further developed.

Lubbers and Rong also discussed peace and hot spots in the world today. Lubbers maintained that as far as the West is concerned, world peace hinges on "stabilizing relations between NATO and the Soviet Union and its Warsaw Pact." He said he was "optimistic" about such a development.

He said he hopes an agreement on eliminating intermediate-range missiles in Europe will be reached between the two superpowers.

Delegation Meets Foreign Minister

OW120308 Beijing XINHUA in English 0259 GMT 12 Mar 87

[Text] The Hague, March 11 (XINHUA) -- Dutch Foreign Minister Hans van den Broek said here today that the Netherlands was not only eager to increase its cooperation with China but also wishing to coordinate with it on international issues.

The Dutch minister made the remarks while meeting this evening with a delegation of China's National People's Congress (NPC) headed by Rong Yiren, vice chairman of the NPC Standing Committee. Van den Broek said relations between the Netherlands and China have been strengthened in various fields in the past few years, and these friendly relations have culminated in 1985 when Chinese Premier Zhao Ziyang visited the Netherlands.

He said the Netherlands highly admired China for its development in recent years, and his government and people were happy to know that China would continue its open-door policy and wished China more successes in the future.

In a brief account of the current political and economic situation in China, Rong Yiren said that China's open-door policy would remain unchanged.

He hoped that cooperation between the two countries in economic, scientific and technological fields would be further expanded.

Earlier, the Chinese delegation toured to their delight the Philips Electronic Components and Materials Division in Eindhoven, southern Netherlands, and was briefed by the newly-established "China-Netherlands Cooperation and Development Foundation" in the Hague, which is aimed at increasing scientific cooperation between the two countries.

Netherlands Consort Receives Rong

OW131023 Beijing XINHUA in English 0925 GMT 13 Mar 87

[Text] The Hague, March 12 (xinhua) -- Prince Claus, husband of Dutch Queen Beatrix, said today he hopes the Netherlands and China would expand their cooperation.

The two countries should cooperate not only in economic and trade fields but also in culture, science and technology, the prince said.

He made the remarks while receiving Rong Yiren, head of the delegation of China's National People's Congress (NPC), at the Huis Ten Bosch Palace here this evening. China's Ambassador to the Netherlands Wang Guixing was also present.

"China is our great friend," the prince told Rong, adding: "The Netherlands can become a good partner of China."

The prince's 1977 visit to China had left a good impression and he had felt "homesick for China" since, he said.

Rong Yiren, vice chairman of NPC's Standing Committee, conveyed cordial greetings from Chinese President Li Xiannian to Queen Beatrix.

Earlier today in The Hague, Rong and his delegation met Dutch businessmen and briefed them on China's economic reforms and its open-door policy before welcoming them to invest or set up joint ventures in China.

This morning, Rong visited Rotterdam's central library, which offers special services to business, and made a boat trip to Rotterdam Harbour, the world's biggest port.

This evening, Ambassador Wang gave a buffet dinner to honour the NPC delegation. About 200 guests including Dutch parliamentarians, government officials, businessmen and members of the local Chinese community attended the dinner.

Rong Meets Overseas Chinese

OW140554 Beijing XINHUA in English 0249 GMT 13 Mar 87

[Text] The Hague, March 13 (XINHUA) -- Overseas Chinese and Dutch Chinese in the Netherlands welcome and support China's open-door policy, said Su Huan-jan, a representative of the Chinese community in the Netherlands today.

At a dinner held in Rotterdam in honor of the visiting delegation of China's National People's Congress (NPC), Su said Overseas Chinese welcomed and supported China's open-door policy and wanted to contribute to the realization of China's four modernizations program.

The delegation leader, Rong Yiren, vice chairman of the NPC Standing Committee, in turn, briefed the guests on the current situation in China and the Chinese government's policy of invigorating the domestic economy and opening to the outside world.

I. 17 Mar 87

G 10

PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

Rong, also chairman of the Board of Directors of the China International Trust and Investment Corp., welcomed them to visit China and establish business contacts.

He said he hoped all Chinese contribute to the reunification of China.

Over 100 Overseas Chinese and Dutch citizens of Chinese origin as well as Chinese Ambassador Wang Guixin attended the dinner.

Earlier today, members of the Chinese delegation visited the Fokker Airplane Manufacturing Company in Amsterdam.

The Chinese NPC delegation returns to China tomorrow morning after a six-day friendly visit to the Netherlands.

Delegation Returns From Visits

OW150930 Beijing XINHUA in English 0819 GMT 15 Mar 87

[Text] Beijing, March 15 (XINHUA) -- A delegation of China's National People's Congress (NPC) led by vice-chairman of its Standing Committee Rong Yiren returned here today after paying a goodwill visit to Greece and [the] Netherlands.

Rong and his party were greeted at the airport by Chen Pixian, vice-chairman of the NPC Standing Committee, and the Hellenic and Dutch diplomatic envoys in China.

PRC TECHNOLOGY INTRODUCED AT SPACE FORUM

OW111930 Beijing XINHUA in English 1430 GMT 11 Mar 87

[Excerpts] Bonn, March 10 (XINHUA) -- Europe should establish its own space technology system, said Federal German Foreign Minister Hans-Dietrich Genscher today.

In his address at the "Conference of Economy" held in the University of Cologne, Genscher said Europe should not become a purchaser of U.S. and Japanese licences for space technology.

Instead, he said, it should be independent in launching space vehicles by the year 2000.

Genscher said Federal Germany will make technological and financial contributions to realizing the goal.

Europe is willing to compete, as well as cooperate with the United States, the Soviet Union, China, Japan and India in the development of civil space technology, said Genscher.

Chen Shouchun, chief engineer from China Great Wall Industry Corporation, introduced China's space technology system at the meeting and offered his firm's service in launching satellites.

The "Conference of Economy" on civil space technology was sponsored and organized by students in the University of Cologne. [passage omitted] The conference will end tomorrow.

I. 17 Mar 87

PRC INTERNATIONAL AFFAIRS
EASTERN EUROPE

H 1

WU XUEQIAN MEETS BULGARIA'S ZHIVKOV, ATANASOV

OW161648 Beijing XINHUA in English 1634 GMT 16 Mar 87

[Text] Sofia, March 16 (XINHUA) -- Bulgarian leader Todor Zhivkov met with Chinese Foreign Minister Wu Xueqian here this morning.

Zhivkov and Wu briefed each other on the domestic situation in their countries.

Wu also held a meeting with Bulgarian Premier Georgi Atanasov. They expressed satisfaction over the development of bilateral relations and discussed economic ties.

Wu left Sofia for Rome today.

WU INTERVIEWED ON COOPERATION, RELATIONS, PROGRESS

AU161731 Prague RUDE PRAVO in Czech 12 Mar 87 p 7

[Interview with Wu Xueqian, member of the CPC Central Committee Politburo, member of the PRC State Council, and PRC minister of foreign affairs, by Zdenek Horeni, RUDE PRAVO chief editor, "before Wu's leaving Czechoslovakia" on 10 March: "For the Development of Friendly Cooperation Through Joint Efforts" -- place of interview not specified]

[Text] [Horeni] You are the first PRC minister of foreign affairs to pay an official friendly visit to Czechoslovakia. Yet for you this is already the second visit to our country. Your first stay here was in the years 1949-50. Wherein lies the continuity between past and present Czechoslovak-Chinese relations and what is new in them?

[Wu] There exist traditional ties of friendship between the Chinese and the Czechoslovak people that are of long standing. The two nations have always supported each other and sympathized with each other, and they continue to do so. Even though there were difficulties in the relations between the two countries for some time, they are a matter of the past and we must look forward. The important thing is that friendly cooperation between China and Czechoslovakia has been rapidly restored and has been rapidly developing in all areas in recent years, owing to bilateral joint efforts. The trip of your minister, Bohuslav Chnoupek, to China at the end of last year and my current visit to your country are a reflection of the development of political relations. Particularly gratifying is the fact that CSSR Premier Comrade Lubomir Strougal will visit China this year and Comrade Zhao Ziyang, acting general secretary of the CPC Central Committee and PRC premier, will visit Czechoslovakia, and that Comrade Gustav Husak, general secretary of the CPCZ Central Committee and CSSR president, has been invited to China. We are looking forward to his visit. These visits will be important events in the relations between the two countries and will undoubtedly raise them to a new period of all-round development. I am firmly convinced that our friendly cooperation founded on the principles of mutual respect, equality, and mutual benefit will produce even richer fruits.

[Horeni] The long break in Czechoslovak-Chinese relations did not diminish the interest of our public in the life of the Chinese people, Chinese policy, and contemporary China. It is interested, for example, in the course of the implementation of the program of four modernizations, on the basis of which China wants to rank among the most advanced states of the world, through an accelerated development of agriculture, industry, defense, and science and technology.

[Wu] The 3d Plenary Session of the 11th CPC Central Committee in 1978 mapped out the ideological line of liberating thought and seeking truth from facts and set the strategic direction -- to move the center of gravity of party work to the implementation of socialist modernization. The essential features of this line are:

First, firm adherence to the four cardinal principles -- that is, the socialist path, the people's democratic dictatorship, the leading role of the Communist Party, Marxism-Leninism-Mao Zedong Thought, and the struggle against bourgeois liberalism;

Second, a policy of reviving the country's economy and openness to the world; that is, the building of a modern socialist country with specific Chinese characteristics on the basis of realistic conditions.

The practice of the past 8 years has proved the line mapped out by that CPC Central Committee session to have been absolutely correct. Great successes in all spheres of social life have been scored in this period through joint efforts of the people of the entire country. The political situation is marked by tranquillity and unity and the national economy is developing in a continuous, stable, and balanced fashion. Gross industrial and agricultural output has been growing at an average annual rate of around 10 percent. Coal production increased from 620 million metric tons in 1980 to 850 million metric tons in 1985. Crude oil output increased from 100 million metric tons in 1980 to 120 million metric tons in 1985 and steel production increased from 37 million to 46.066 million metric tons, and last year by an additional 6 million metric tons. Agriculture has also been developing rapidly. The problem of providing basic nutrition and clothing to the 1 billion inhabitants of a country that has only 7 percent of the world's area of arable land has been resolved. Between 1980 and 1985 alone, farmers' income almost doubled and the income of employees in small towns and rural areas increased 60 percent. We have found the way to gradually improve the lives of the country's 800 million farmers. Some of these farmers have already gained prosperity.

These successes notwithstanding, the task of implementing the four modernizations remains difficult and complicated and we will still have to exert immense efforts to meet it because our original economic base is weak, we have a large population to provide for, and we have a large territory with disparate levels of development in various regions. Yet under the CPC's leadership and through the tenacious efforts of several generations, the Chinese people should be able to reach this grand target.

[Horeni] Wherein lie the specific features of the current economic reform in the PRC and how does this reform help to strengthen the socialist foundations of the social system of the PRC?

[Wu] The reform of the economic system in our country is advancing with firm strides. The situation is very favorable. Our reform started immediately after the 3d Plenary Session of the 11th CPC Central Committee, beginning in the rural areas. The contractual system of responsibility was introduced at that time. This took various forms, with the individual farmstead as the basis and with remuneration pegged to the results of farming. This system has unfolded the initiative of the farmers and the production forces and has raised people's living standards. On the basis of the great successes scored in agricultural reform, the 3d Plenary Session of the 12th CPC Central Committee, which was held in the fall of 1984, decided to start an all-round reform with the city as its focal point. The reform's substance lies in the development of a socialist commodity economy, the expansion of the autonomy of enterprises, and gradual changes in planning, the tax system, prices, wages, and other areas. Ownership by the whole people and collective ownership must always prevail in the reform. At the same time, we support the development of individual economic activity and the setting up of joint ventures with foreign companies, which is an essential supplement to the socialist economy. [paragraph continues]

The reality of the last few years visibly bears out that the reform has made a contribution to the country's economic and social development and that the people support the reform. We shall unshakably adhere to the economic reform and will at the same time proceed cautiously in specific reform steps.

[Horeni] In connection with preparations for the new CPC congress there has also been talk of a political reform. What aims does it pursue?

[Wu] The reform of the political system is a complicated and difficult task. Through thorough surveys, studies, and discussions, we are now getting ready to implement this reforming in a controlled fashion and step by step. We will continue to expand socialist democracy, perfect socialist legality, look for various ways of conducting a continuous social dialogue marked by democratic consultations and lively exchanges of views, and thereby bring fully to life the administrative apparatus, overcome bureaucratism, raise efficiency and work performance, and mobilize the initiative of primary organizations and the popular masses.

[Horeni] A key issue of current international relations is the question of whether space will be prevented from becoming militarized. What is the position of your government on this issue?

[Wu] China is now in the process of implementing socialist modernization, and for this it needs a long-term peaceful international atmosphere. China exercises an independent and autonomous foreign policy of peace. It regards the preservation of peace as the basic target of its foreign policy activities. The feverish pursuit of the arms buildup alarms people all over the world. We advocate an end to the arms race, a general ban on and liquidation of nuclear, chemical, and biological weapons, and a large-scale cut in conventional armaments. We welcome serious arms limitation talks between the United States and the USSR and the attainment of an agreement that would be beneficial to world peace and would not impair the interests of other countries. Space is the property of all mankind. We are opposed to any form of spreading the arms race to space, regardless of which state does it, and want space to be exploited solely for peaceful purposes and the well-being of mankind.

[Horeni] We thank you for the interview, which our readers will surely welcome as a contribution to a better understanding of the PRC's domestic and foreign policies. What can be done by the mass media of information and propaganda of the CSSR and PRC and, specifically, by RUDE PRAVO and RENMIN RIBAO to promote the development of Czechoslovak-Chinese relations and closer mutual knowledge of the two countries?

[Wu] Thanks to bilateral efforts, the relations between China and Czechoslovakia have undergone in the last few years a remarkable development which benefits the cause of socialism in both countries. We are sincerely pleased by this. The promotion of better mutual knowledge between the people of the two countries will contribute to friendship and cooperation between our two socialist countries. The two countries' media of mass information and propaganda (including the central dailies of the two parties) can do a great deal in this respect. We are in favor of an expansion of contacts, exchange of experience, and intensification of cooperation between the shafts of the media of mass information and propaganda of China and the CSSR.

Allow me to close by conveying through your daily from the Chinese to the Czechoslovak people best wishes, further successes in building socialism and in their work, and much happiness in their private lives.

I. 17 Mar 87

H 4

PRC INTERNATIONAL AFFAIRS
EASTERN EUROPE

GDR'S HONECKER ANTICIPATES ZHAO ZIYANG VISIT

OW151554 Beijing XINHUA in English 1534 GMT 15 Mar 87

[Text] Berlin, March 15 (XINHUA) -- Democratic German leader Erich Honecker said today the scheduled visit in June by Chinese leader Zhao Ziyang will promote the relations of friendship between the two countries.

Honecker toured the Chinese exhibition hall in the Leipzig Spring International Fair which opened today. He recalled his visit to China last year as a great and most impressive event.

He said the relations between the two countries in the political, economic, cultural and scientific fields have been growing from good to better.

CHEN MUHUA ARRIVES IN SFRY FOR TRADE TALKS

OW130230 Beijing XINHUA in English 0217 GMT 13 Mar 87

[Text] Belgrade, March 13 (XINHUA) -- Chen Muhua, state councillor of the People's Republic of China, arrived in Belgrade Thursday on a mission to boost Sino-Yugoslav trade and economic cooperation.

During her week-long visit, Chen, who is also chairman of the Chinese side of the Chinese-Yugoslav Mixed Committee for Economic, Scientific and Technical Cooperation, will hold working meetings with her Yugoslav counterpart Milos Milosavljevic.

Sino-Yugoslav trade and economic relations have been intensified since the mixed committee was established in 1978. Last year, trade reached 200 million U.S. dollars as compared with 80 million dollars in 1981.

Meets Milosavljevic

OW150851 Beijing XINHUA Domestic Service in Chinese 1515 GMT 13 Mar 87

[By reporter Xu Kunming]

[Text] Belgrade, 13 Mar (XINHUA) -- Chen Muhua, Chinese state councillor, and Milos Milosavljevic, vice president of the Yugoslav Federal Executive Council, pledged today that the governments of China and Yugoslavia will vigorously take effective measures to further economic, scientific, and technological cooperation between the two countries.

Chen Muhua and Milosavljevic, cochairpersons of the Sino-Yugoslav Mixed Committee for Economic, Scientific, and Technological Cooperation, made the pledge at a meeting held at the Federal Building this morning.

The two leaders reviewed the development of bilateral economic and trade relations and work of the cooperation committee in recent years. They pointed out with satisfaction that with the care and support of the two governments and through concerted efforts, the two countries have seen greater increase in trade volume, marked improvement in the balance between imports and exports, and gradual development in economic and techno-scientific cooperation with some concrete results.

I. 17 Mar 87

H 5

PRC INTERNATIONAL AFFAIRS
EASTERN EUROPE

At the meeting, the two cochairpersons also explored the possibilities of further expanding trade and increasing cooperation in economy, science, and technology. Both sides believe that as long as the two countries stick to the principles of equality and mutual benefit, of mutual help to make up what the other lacks, of balance between imports and exports, and of equal preferential treatment, and make full use of various favorable conditions, their cooperation in economy, trade, science, and technology will certainly achieve greater results.

(M. Saraci), vice president of the Yugoslav Federal Committee for Energy and Industry, and Wang Pinqing, vice minister of the Chinese Ministry of Foreign Economic Relations and Trade, attended today's meeting.

Chen Muhua and her party arrived in Belgrade in the afternoon of 12 March. They are on a week-long friendly visit to Yugoslavia.

Cooperation Discussed

OW131739 Beijing XINHUA in English 1731 GMT 13 Mar 87

[Text] Belgrade, March 13 (XINHUA) — Senior Chinese and Yugoslav officials today pledged their governments' efforts to further economic and technological cooperation between the two countries.

Chinese State Councillor and head of the People's Bank of China Chen Muhua and Yugoslav Vice Premier Milos Milosavljevic agreed during a meeting here today to adopt measures to ensure the further growth of bilateral trade and economic and techno-scientific cooperation.

Chen, who is also Chinese co-chairperson of the Sino-Yugoslav Mixed Committee for Economic, Scientific and Technological Cooperation, arrived in Belgrade Thursday on a week-long mission to boost bilateral trade and economic cooperation.

At the meeting, Chen and Milos Milosavljevic, Yugoslav co-chairman of the committee, reviewed the development of bilateral trade and economic ties in recent years and explored the possibilities of expanding trade and increasing cooperation in trade, technology and science.

Sino-Yugoslav trade and economic relations have grown since the mixed committee was established in 1978. Last year, trade reached 200 million U.S. dollars, compared with 80 million dollars in 1981.

Both Chen and Milosavljevic expressed confidence that greater successes are yet to come.

Yugoslav Premier Branko Mikulic today held a separate meeting with Chen. Both expressed satisfaction with the growth of bilateral economic ties over the past year and discussed ways to expand trade and cooperation.

Mikulic and Chen agreed that Yugoslavia and China can benefit from sharing their experiences in socialist construction and economic and political reforms.

PDRY PRIME MINISTER, DELEGATION VISIT PRC

Zhao Ziyang Welcomes Nu 'man

OW120938 Beijing XINHUA in English 0929 GMT 12 Mar 87

[Text] Beijing, March 12 (XINHUA) -- Chinese Premier Zhao Ziyang presided over a ceremony here this afternoon welcoming Dr Yasin Sa'id Nu'man, prime minister of the People's Democratic Republic of Yemen, who flew here earlier today on an eight-day official goodwill visit to China. This is Dr Nu'man's first China tour.

The ceremony was held in the plaza east of the Great Hall of the People and began with the playing of national anthems of Democratic Yemen and China amid the 19-gun salute.

Accompanied by Zhao Ziyang, Prime Minister Nu'man reviewed a guard of honor made up of men of three services of the Chinese People's Liberation Army. Then he met 300 cheering youngsters.

Present on the occasion were State Councillor Zhang Jingfu, chairman of the Chinese Government reception committee and minister of Petroleum Industry Wang Tao, and Minister of Urban and Rural Construction and Environmental Protection Ye Rutang.

Also present were high-ranking officials who are accompanying the prime minister on the visit.

Zhao, Nu'man Hold Talks

OW121308 Beijing XINHUA in English 1252 GMT 12 Mar 87

[Text] Beijing, March 12 (XINHUA) -- Chinese Premier Zhao Ziyang reiterated here today China's firm support to the just struggle of the Palestinian and other Arab peoples and respect for the decisions made by Arab countries and the Palestinian Liberation Organization through consultation.

He also expressed China's support for the proposal put forward by Arab countries and the PLO for an international meeting chaired by the UN on the Middle East question attended by the parties concerned and the five permanent members of the United Nations Security Council.

Zhao made these remarks during his two-hour talks with Dr Yasin Sa'id Nu'man, prime minister of the People's Democratic Republic of Yemen, here this afternoon. The two leaders exchanged views on the Middle East question and bilateral relations during the talks.

Zhao repeated China's sincere wish for an early end to the Iran-Iraq war, calling on the two countries to resolve their differences and dispute in a rational and just manner through peaceful negotiations. He pledged that the Chinese Government will continue to work towards this end.

He said that it is a basic point in China's foreign policy to strengthen its cooperation and unity with other Third-World countries and the Chinese Government will work persistently to safeguard the rights and interests of the Third-World countries.

He urged the Third World countries to further their unity and cooperation, and resolve their differences and disputes peacefully through dialogue and consultations on the basis of seeking common ground while reserving differences.

Briefing Nu'man on China's political line and policies since 1978, Zhao said that China has made marked progress and achieved good results in its construction in the past eight years and will continue to march forward in this direction.

After briefing the Chinese premier on the situation in his country, Nu'man said that Democratic Yemen is also striving for domestic and regional stability. It is very much concerned about the Mideast turbulence, the disturbance in Lebanon and the Iran-Iraq war.

The two prime ministers also expressed satisfaction with the development of China-Democratic Yemen friendship since the establishment of their diplomatic ties.

Zhao Hosts Banquet

OW121809 Beijing XINHUA Domestic Service in Chinese 1413 GMT 12 Mar 87

[Text] Beijing, March 12 (XINHUA) — Chinese Premier Zhao Ziyang said that as a permanent member of the UN Security Council, China will strive for an early, peaceful and just resolution of the Middle East issue through the convocation of an international conference.

Zhao made this pledge at a banquet he gave in honor of the visiting Prime Minister of the People's Democratic Republic of Yemen, Dr Yasin Sa'id Nu'man.

Zhao pointed out that the tension in the Middle East region caused by the Israeli policy of aggression and expansion has not been relaxed, about which the Chinese Government and people are very concerned.

He said that the recent proposition by Arab countries and the international community for the opening of an international conference on the Middle East question chaired by the United Nations is a realistic approach to resolve the Middle East issue peacefully.

Zhao reiterated that the Chinese Government and people resolutely support the just struggle of the Arab and Palestinian peoples in opposing Israel's aggression and expansion and stand for a complete and just settlement of the Middle East issue.

He said: "We maintain that the core of the Middle East issue is the Palestine question. As the sole legitimate representative of the Palestinian people, the Palestine Liberation Organization has the right to attend the proposed international conference with the other parties concerned."

The Chinese premier said that the Chinese people and the Yemeni people have been sharing a traditional friendship and the two countries have good cooperative relations.

China will further promote mutual understanding with Yemen and probe into ways of multi-form cooperation so as to further the bilateral friendly relations of cooperation, he added.

Yemeni Prime Minister Nu'man said that his current visit to China and his talks with Chinese leaders will help strengthen the friendly cooperative relations between the two countries and their peoples and will be conducive to the exchange of views on questions of common concern between the two sides.

He said that the Yemeni people appreciate very much the existing friendly cooperative relations between the two countries, and such relations are a vivid example of a constructive international relationship for which people all over the world have been striving.

He said Yemen hopes to further develop its cooperation with China and contribute to the struggle for a new world political and economic order and to the strengthening of understanding and friendship among peoples all over the world.

On the Middle East question, Nu'man said that just and all-round peace in the Middle East is essential for achieving world peace, and it cannot be realized in the Middle East without Israel's withdrawal from the occupied Arab territory and its recognition of the legitimate national rights of the Palestinian people, first and foremost, the right to return to their homeland, the right for self-determination, and the right to build their own country under the leadership of the PLO -- their sole legitimate representative.

He called on all peace-loving countries and forces in the world to continue to make utmost efforts for the realization of complete and just peace in the Middle East, including an international meeting for resolving the Middle East issue attended by the Middle East parties concerned including the PLO on an equal footing.

He said Democratic Yemen follows a peaceful policy aimed at eliminating the threat from the Middle East and "hot spots" in nearby areas.

Democratic Yemen, he said, is firmly opposed to the destructive Iran-Iraq war and advocates an end to this war. He called on the two countries to solve their differences by peaceful means while protecting their legitimate rights and interests.

He said that his country will continue its efforts to strengthen its constructive cooperation with countries in the Gulf region, the Arab Peninsula, the Red Sea area and the Horn of Africa, to benefit peoples of various countries and maintain security and stability in this region.

Democratic Yemen unswervingly supports the efforts of all peace-loving progressive forces in the world to maintain world peace and avoid war, and maintains that dialogue constitutes the basis for resolving international disputes, he added.

The banquet took place at the Great Hall of the People. Attending the banquet were Zhang Jingfu, state councillor; Wang Tao, minister of petroleum industry; and Ye Rutang, minister of urban and rural construction and environmental protection.

Senior PDY officials visiting China with Prime Minister Nu'man also attended the banquet.

Banquet Speeches

EA142117 Aden Domestic Service in Arabic 1530 GMT 13 Mar 87

[Unidentified correspondent's report from Beijing]

[Excerpts] Today, Brother Dr Yasin Sa'id Nu'man, member of the Political Bureau and chairman of the Council of Ministers, held a meeting in his residence in the Chinese capital, Beijing, with ambassadors of the sisterly Arab countries accredited to the PRC. Cordial brotherly speeches on a number of issues affecting our Arab nation were made. [passage omitted]

A dinner was held yesterday in honor of Brother Dr Yasin Sa'id Nu'man, and the delegation accompanying him. It was attended by a number of Chinese officials, and speeches were made by Brother Dr Yasin Sa'id Nu'man and chairman of the State Council, Zhao Ziyang.

Brother Dr Yasin Sa'id Nu'man expressed the delegation's thanks and appreciation for the friendly, official and popular reception accorded it. He also conveyed to the Chinese political leadership and the Chinese people greetings from the political leadership and people of the PDY.

In the course of his speech he expressed confidence that the delegations would contribute to the reinforcement of cooperation and friendship between the PDY and the PRC, and the exchange of views on matters of common interest. He also stressed that our people greatly appreciate the relations of friendship and cooperation between Democratic Yemen and the PRC. He described them as a living example of constructive international relations for which the peoples of the world are struggling, as a substitute for the oppressive exploitative relations entrenched in the past by the colonialist states, which imperialist circles are now trying to revive in different forms.

He also explained that the people of Democratic Yemen highly appreciate the PRC's contribution in setting up numerous vital projects in difficult circumstances at a time when our country most urgently needs them. In this context he pointed out that the PDY is looking forward to further development of bilateral cooperation between it and the friendly PRC, which is at the same time a contribution to the struggle for a new world system of international political and economic relations. He stressed in this respect that the reinforcement of the bonds of understanding and friendship among peoples is deemed to be a humanitarian and noble aim. Its achievement is inseparable from the task of solving all international disputes and affirming the legitimate national rights of all states, nations and peoples. Its violation will lead to new centers of tension, the kindling of international disputes, and the undermining of world peace.

Brother Dr Yasin Sa'id Nu'man, explained that the achievement of a just peace in the Middle East is linked to world peace, pointing out that its achievement is conditional on Israel's withdrawal from the occupied Arab territories and its recognition of the legitimate national rights of the Palestinian Arab people, headed by their right to return to their homeland, determine their own destiny, and set up their own national state under the leadership of the PLO, their sole legitimate representative.

He also said that the achievement of peace in the Middle East requires all the peace-loving countries and forces in the world to continue exerting maximum international efforts, including efforts for holding an international conference for solving this issue.

He stated that the stands being adopted by the PRC alongside the just causes and rights of the Arab peoples, particularly the cause of the Palestinian and other peoples, enjoy the respect and appreciation of the people in Democratic Yemen's stand, pointing out that, arising from its peaceful policy, our country had from the outset stood against the outbreak of this war, and still stands against its continuation. He also stressed the PDRY's firm stand in support of the peaceful efforts being exerted by the progressive and peace-loving forces with the aim of maintaining world peace, sparing the world the dangers of wars, and regarding peaceful dialogue as a basis for solving international disputes. He also pointed out that China, like other socialist countries, is facing the task of defending peace on our planet, and that the humanitarian meaning of socialism places before it the issue of struggle for peace as an immediate task in our present time. He pointed out that the recent initiative of Comrade Gorbachev in this connection [words indistinct] firm link between peace and the humanitarian meaning of socialism. He also confirmed our country's complete solidarity with the PRC's right to restore its national sovereignty to Taiwan, Hong Kong, and Macao, considering them as parts of the single Chinese homeland. Touching on the issue of Yemeni unity, Brother Dr Yasin Sa'id Nu'man said that it occupies a prominent place in the national work of the YSP.

Comrade Zhao Ziyang, chairman of the State Council, also delivered a speech at the dinner in which he welcomed the Democratic Yemen delegation, led by Brother Dr Yasin Sa'id Nu'man, and expressed the Chinese Government's pleasure at this visit. In the course of his speech he lauded the bold and brave struggles that characterize the people in Democratic Yemen and through which they achieve their national independence. He emphasized that Democratic Yemen Government and people have managed, through persistent efforts, to develop the national economy and raise the people's living standards. He also emphasized that Democratic Yemen pursues an objective policy in maintaining world peace and supports the just struggle of the Palestinian Arab people. In the context of his speech, he explained that the PRC Government and people record its appreciation and admiration at Democratic Yemen for the stands with which it was and is characterized.

Nu'man Tours Beijing

OW131956 Beijing XINHUA in English 1548 GMT 13 Mar 87

[Text] Beijing, March 13 (XINHUA) -- Dr Yasin Sa'id Nu'man, prime minister of the People's Democratic Republic of Yemen, attended an evening performance of music, dances and acrobatics here today.

Wang Tao, Chinese minister of petroleum industry, accompanied Nu'man and his party at the performance sponsored by the Chinese Ministry of Culture.

Earlier in the day, Nu'man visited a cotton mill and a knitwear mill. He also placed a wreath at the Monument to the People's Heroes and toured the Palace Museum.

Li Xiannian Meets Nu'man

OW141320 Beijing XINHUA in English 1230 GMT 14 Mar 87

[Text] Beijing, March 14 (XINHUA) -- Chinese President Li Xiannian and Democratic Yemen Prime Minister Yasin Sa'id Nu'man today expressed satisfaction with the great development of Sino-Democratic Yemeni friendly cooperation in the past 20 years.

During a meeting between the two leaders this afternoon, the Chinese president expressed the belief that Prime Minister Nu'man's visit to China will advance the bilateral relations to a new high.

Nu'man said that he had thorough-going discussions with Chinese leaders on issues of mutual concern during his stay in Beijing. He paid tribute to China's positive role in promoting unity and economic development of the Third World countries.

Li called on the Third World countries to further their unity and resolve their differences and disputes through dialogue and consultations. He reiterated China's support for holding an international meeting on the Middle East question.

Turning to China's situation, Li said that the essence of the political line formulated at the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party in 1978 is to build socialism with Chinese characteristics.

To build socialism, he explained, constitutes a supreme principle for and a precondition to China's modernization. The core of the four cardinal principles lies in adherence to the socialist road under the Communist Party leadership.

"Our policies for opening the country to the outside world, reforms and invigorating the domestic economy must be implemented in accordance with socialist principles. These principles and policies will not change," he added.

This morning, Nu'man and his party toured the Great Wall and Ming Tombs.

Six Agreements Signed

OW150722 Beijing XINHUA in English 0706 GMT 15 Mar 87

[Text] Beijing, March 15 (XINHUA) -- China and the People's Democratic Republic of Yemen signed six documents here this morning.

These documents are an agreement on economic and technical cooperation between the two governments, a protocol on the implementation of the agreement on economic and technical cooperation, an agreement on establishing a joint committee for economic, technical cooperation and trade between the two governments, a protocol on the 1987-1988 trade between the countries, the exchange of notes between the two governments on extending the period for the payment of loans, and an executive plan on the 1987-1988 cultural cooperation between the two governments.

Chinese Premier Zhao Ziyang and visiting Democratic Yemen Prime Minister Yasin Sa'id Nu'man attended the signing ceremony.

Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin and Democratic Yemen Minister of Industry, Commerce and Supply 'Abdullah Muhammad 'Uthman signed the first five documents on behalf of their respective governments.

Leading members of the Chinese Ministry of Culture and the Democratic Yemen Ministry of Planning signed the executive plan on the 1987-1988 cultural cooperation between the two governments.

Leave Beijing for Guangdong

OW150724 Beijing XINHUA in English 0656 GMT 15 Mar 87

[Text] Beijing, March 15 (XINHUA) — Prime Minister of the People's Democratic Republic of Yemen Dr Yasin Sa'id Nu'man and his party left here by special plane this morning for a tour of south China's Province of Guangdong.

Chinese Minister of Petroleum Industry Wang Tao is accompanying them on the visit.

Prior to Nu'man's departure, Chinese Premier Zhao Ziyang bid farewell to him at the Diaoyutai State Guesthouse. Both Zhao and Nu'man described the latter's current visit to China as "successful." Zhao said Nu'man had friendly and fruitful exchanges of views with Chinese leaders on international issues and bilateral relations during his visit.

And this was illustrated by the signing of several important documents by the two countries, Zhao said, adding that he believed Nu'man's current visit will promote the friendly relations between the two countries, including economic relations.

Nu'man said the signing of the documents will deepen the relations between the two countries, economic relations in particular.

Nu'man said he had seen many aspects of the friendly country of China and his visit to China was successful.

Tour Guangdong

OW151624 Beijing XINHUA in English 1504 GMT 15 Mar 86

[Text] Zhanjiang, March 15 (XINHUA) — Dr Yasin Sa'id Nu'man, prime minister of the People's Democratic Republic of Yemen, and his party arrived this afternoon at Zhanjiang, a port city in south China's Guangdong Province.

Prime Minister Nu'man, who is the first foreign government leader to visit Zhanjiang, was given a rousing welcome by the local people upon his arrival.

During their visit to Zhanjiang Harbour here this afternoon, Dr Nu'man and his party watched workers loading bulk grain and went on board a 40,000 dwt cargo ship to talk with the sailors. They also took a boat excursion at the harbour.

Ye Xuanping Hosts Nu'man

OW161554 Beijing XINHUA in English 1510 GMT 16 Mar 87

[Text] Guangzhou, March 16 (XINHUA) — Dr Yasin Sa'id Nu'man, prime minister of the People's Democratic Republic of Yemen, and his party arrived in Guangzhou, capital of south China's Guangdong Province, this afternoon from Zhanjiang.

Ye Xuanping, governor of the province, hosted a banquet to welcome the guests. In his toast, Prime Minister Nu'man said his trip to China has been crowned with success and is fruitful.

This morning, Dr Nu'man and his party visited the Zhanjiang Oceanic Fishing Company, which has expanded technical cooperation with Democratic Yemen since 1975. During the years three ships of the company worked in Yemen, and Chinese technicians assisted their Yemeni counterparts.

Prime Minister Nu'man visited the fish processing factory attached to the company, and talked with the workers and technicians who had once worked in Yemen. He also expressed the hope that both sides would continue to develop cooperation.

The guests also visited the Nanhai Western Petroleum Corporation today.

ZHANG ZHIJIE MEETS WITH PDRY HOUSING MINISTER

OW101959 Beijing XINHUA in English 1548 GMT 10 Mar 87

[Text] Beijing, March 10 (XINHUA) -- Zhang Zhijie, vice-president of the Chinese People's Association for Friendship With Foreign Countries, met and feted Muhammad Ahmad Salman, minister of construction and housing of the Democratic People's Republic of Yemen, and his party here today.

Muhammad Ahmad Salman is also president of the Democratic Yemen-China Friendship Association.

PRC, EGYPT SIGN SCIENTIFIC, TECHNICAL PROTOCOL

OW151632 Beijing XINHUA in English 1448 GMT 15 Mar 87

[Text] Cairo, March 15 (XINHUA) -- Egypt and China signed here today a protocol on scientific and technical cooperation for 1987-1988.

Under the protocol, the two governments will exchange experts to study technology in many fields.

They include the production of medicines and medical equipment, anti-corrosion in prestressed concrete structures under sea, irrigation and drainage in arid and semi-arid areas, small hydraulic power stations, milk production and processing, afforestation of shelterbelts in arid areas, plant protection and green house techniques. The two sides will also exchange experience in the use of foreign investment.

The protocol is the first accord reached for implementing the Sino-Egyptian Agreement on Scientific and Technical Cooperation signed in Beijing in April 1983.

Signing the protocol were Pan Zhiyuan, deputy director of the International Cooperation Department of China's State Science and Technology Commission and Hassan Amin Shash, director of the Cultural and Technical Cooperation Department of the Egyptian Foreign Ministry.

HU YAOBANG 'PROBABLY' TO APPEAR AT NPC SESSION

HK170141 Hong Kong SOUTH CHINA MORNING POST in English 17 Mar 87 p 1

[From Marlowe Hood in Beijing]

[Text] Deposed Communist Party leader Mr Hu Yaobang will probably make his first public appearance since his January 16 dismissal at this month's session of the National People's Congress.

Since yielding the post of party general secretary to the Prime Minister, Mr Zhao Ziyang, Mr Hu has made no public appearance or statement.

Sending a wreath to the funeral of a Red Army veteran on February 13 was his only activity in the last two months to be reported in the official Chinese press.

If Mr Hu does appear at the fifth session of the Sixth NPC, it may be an indication that the reformists under Mr Zhao have gained ground in the struggle with conservative political opponents over the agenda for China's future.

Mr Hu will not, however, deliver a statement, according to a reliable source.

If Mr Hu does appear at the congress later this month, it would be consistent with reports that he continues to command support among some top leaders.

One of the Central Committee's internal documents issued after his dismissal specifically prohibited the removal of publicly displayed photographs of the deposed leader, according to a source who saw the document. It also said that his calligraphy and quotations should remain standing.

This departure from previously established methods of handling the image of discredited leaders may be an indication of his continuing influence.

Mr Hu is still a member of the Politburo, although it is unlikely he attends high level policy meetings.

In the past, ascendant leaders have gone to great lengths in removing any trace of their fallen predecessors.

But there are traces of Mr Hu scattered through the capital. He is prominently featured in a photo display at one of Beijing's busiest intersections, side by side with top leader Mr Deng Xiaoping. The photograph is of the two men attending a tree planting ceremony in Changping, north of Beijing, three years ago.

A known saying of his, praising the military, is featured in a popular television drama about the continuing border conflict with Vietnam.

Even after his dismissal, Mr Hu has continued to see Mr Deng privately, according to sources.

It has been rumoured, for example, that Mr. Deng invited his long-time protege for Chinese New Year's dinner at the end of January, just two weeks after Mr. Hu's dismissal.

Mr. Hu's support among the general population also seems to be very high. Along with Mr. Liu Binyan, a popular and well-known investigative journalist perceived as a champion of the common man, Mr. Hu has taken on the lustre of a hero, according to some Chinese sources. Many of the most popular reforms of the last eight years are associated with his leadership.

Mr. Zhao made three major speeches at the weekend in which he took a strong stand on limiting the scope of the campaign against bourgeois liberalisation. He repeated his January 29 prohibition against extending the drive against corrupting bourgeois influences outside of the party.

In the most important of the three addresses, delivered to a session of the Chinese People's Political Consultative Conference, he asked, rhetorically: "Will the struggle against bourgeois liberalisation extend beyond the party? It won't, it shouldn't and there is no reason that it should."

He indicated that, while the campaign was not over, it had achieved its main objectives and would not cause major disruptions in society or the economy.

In a speech to top scientists on Saturday, Mr. Zhao said China "will not oppose bourgeois liberalisation at the expense of democratisation."

Several prominent intellectuals have been dismissed from their posts and sacked from the party since the beginning of the year, including the physicist and teacher, Professor Fang Lizhi, accused of inciting students to demonstrate on the need for political reform.

Mr. Zhao's initial appeal six weeks ago to curb the campaign was largely ignored. The conservative drive deepened on several fronts -- military, artistic and economic -- suggesting an intense struggle among top leaders.

While some analysts see Mr. Zhao's weekend speeches as proof of a successful reformist resurgence, others suggest that factional strife is intensifying behind the facade of professed unity.

AFP REPORTS ON CLOSING OF PUBLICATIONS

HK161046 Hong Kong AFP in English 1040 GMT 16 Mar 87

[By Pierre-antoine Donnet]

[Excerpt] Beijing, March 16 (AFP) -- The Chinese authorities have closed down at least three publications for carrying articles promoting "bourgeois liberalisation," officials and informed sources said Monday.

Chief Editor Zhao Xuehai of the 'HUBEI YOUTH NEWS' in central China, contacted by telephone, said his newspaper had been accused of spreading "bourgeois liberalisation."

His journalists, while still being paid, were presently under investigation to determine what each had done, Mr. Zhao added.

The chief editor of the 'ANHUI SCIENCE JOURNAL' in eastern China, Mrs You Lihua, said that her weekly magazine had been closed in mid-February for similar reasons.

Her magazine was published in Hefei, one of the earliest sites of student demonstrations for greater freedom and democracy which spread across the country in December.

A third publication, appearing every 10 days, the 'ANHUI JOURNAL OF SCIENTIFIC NEWS' has also been closed for the same reasons, informed sources said.

There was nobody answering the telephone in the journal's editorial department Monday, but a switchboard operator in Hefei confirmed that it had been closed.

The Chinese authorities ordered three other publications closed in February in the Shenzhen Special Economic Zone (SEZ) next to Hong Kong: The monthly SEZ LITERATURE, Hong Kong's pro-Chinese press reported.

Three staff members on the SHENZHEN YOUTH JOURNAL were accused of publishing articles promoting bourgeois liberalisation and spreading doubts about the country's socialist system. [passage omitted on background of campaign against "bourgeois liberalization"]

LIAOWANG ON PRC SATELLITE SERVICE FOR FOREIGNERS

HK160642 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 10, 9 Mar 87 pp 5-6

[Article by Chen Zhiqiang (7115 2535 1730): "China To Provide Retrievable Satellite Service for Foreign Countries"]

[Text] This reporter has learned from the Ministry of Astronautics that: At the request of FRG, Belgium and some other countries, China will undertake to launch retrievable satellites for foreign countries. Either as passengers of China's retrievable satellites or as users of their deck space, foreign clients can conduct in space all types of useful load experiments, such as experiments in remote sensors technology, material tests under microgravitational conditions, and various types of aerospace experiments. This has been the second move taken by China to develop an international market for its aerospace technology since its use of its "Long March" carrier rockets to provide launching service for foreigners.

Retrievable satellites are vehicles capable of returning to the ground after the fulfillment of their missions in space. They can be used in military reconnoitering, terrestrial resources surveys, and scientific and technological experiments. The technology for retrieving a satellite weighing several hundred kg from an altitude of several hundred km is very complicated. So far only the Soviet Union, the United States, and China have mastered this technology. Since the crash of a U.S. space shuttle at the beginning of last year, some of those manufacturers who had hoped to go to space by space shuttle to conduct experiments or produce goods have placed all their hopes on China (the Soviet Union does not provide retrievable-satellite services for foreigners) and, without being invited, have come to discuss with us journeys in satellites.

According to Wu Keli [3527 0668 0500], a deputy general manager of the Great Wall Industrial Corporation, the company responsible for serving foreigners with its satellites and carrier rockets, about 10 manufacturers from 4 or 5 countries, including the FRG, Belgium, and France, have requested to be allowed to travel to space in China's satellites to conduct experiments there, and some of them have signed agreements or memorandums with the company.

Purposes of Journeys in Retrievable Satellites [subhead]

As far as this reporter knows, by the mid-20th century, people had already discovered the special effects of conditions in space on the processing of materials. In 1975, in an experiment during the space mission jointly undertaken by U.S. spacecraft "Apollo" and the Soviet spacecraft "Soyuz," renal cells were successfully isolated from urokinase for the first time. This could not be done on earth at that time. Experiments conducted during the four space missions undertaken by the U.S. "Skylab" since 1977 have shown that materials can be separated 716 times more efficiently under micro-gravitational conditions than on earth and that products produced under micro-gravitational conditions are four times purer than similar products produced on earth. These successful experiments have aroused people's interest in producing and processing goods in space. The United States has spent several million U.S. dollar studying possible ways to commercialize and industrialize the production and processing of products in space. According to some authoritative analysts, by the year 2000, the United States will be able to derive an income of more than \$40 billion from the sale of its space products each year. Of this, \$27 billion will be derived from the sale of pharmaceutical products, \$11.5 billion from the sale of glass products, and \$3.1 billion from the sale of gallium-arsenic semi-conductor materials. Many developed industrial countries, such as the United States, the Soviet Union, Japan, France, Britain, and the FRG, are very much interested in the exploitation of space resources.

According to Wu Keli, foreign businessmen requesting to be allowed to travel in China's retrievable satellites can use these satellites mainly in the following three ways:

1. They can produce new materials and new medicines under micro-gravitational conditions in space. The processing of materials on earth is affected by gravity and the contamination of apparatus. However, in space, where there is zero gravity and near absolute vacuum, fluids can freely float and move about. Thus, in space, the processing of materials can be carried out without apparatus and, hence, there is not the problem of apparatus contamination. For example, a very large number of tiny glass balls with a diameter of less than 2 mm each are required for the generation of electricity by nuclear fusion. Even an error of several dozen angstrom (one angstrom being equal to one one-hundred-millionth of a centimeter) is not permitted in the uniform thickness of the wall of each of these glass balls. Since the production of these glass balls on earth is affected by gravity, only 10 percent of the glass balls produced on earth are up to standard. Remarkable economic results can be derived from the new medical products produced in space. At the beginning of last year, the United States sold its first space product -- polystyrene emulsion pills with a total weight of 15 gm -- which are more valuable than gold, for \$240,000.

2. In space, where there is zero gravity, they can conduct experiments in microbioengineering, immunology, pharmacology, and life science and refine and purify materials. Man has been able to isolate renal pituitary gland cells and pancreas cells on board space shuttles. People are now trying to isolate and purify hormones, enzymes, and other important medical proteins by electrophoresis. [paragraph continues]

A very interesting thing is that space experiments in life science have great significance for planning long space journeys. Fertilized silkworm eggs, fertilized fish eggs, and pregnant mice have been placed on board spacecrafts launched by the Soviet Union and the United States. They were used in experiments on sexual reproduction. It has been shown that in space, where there is zero gravity, fertilized silkworm eggs and fish eggs can develop into larvae and small fish, and pregnant mice can give birth to baby mice, and that the time taken by a fertilized silkworm egg to develop into a larva in space is 50 percent shorter than that taken by a fertilized silkworm egg to develop into a larva on earth under natural conditions.

3. They can use the satellites' remote sensors to survey their countries' terrestrial resources, the distribution of their farmland, forests, and irrigation works, their geological structure, and their natural conditions and produce remote sensor negatives and magnetic tapes.

China's 100 Percent Success in Retrieving Satellites [subhead]

Wang Xiji [3769 1585 1323], chief engineer of the Ministry of Astronautics and a vice chairman of the China Academy of Space Technology's Science and Technology Committee, said to this reporter: China's retrievable-satellite technology is both mature and reliable. Conditions are now ripe for providing services for foreign businessmen. Since 1975, China has successfully launched and recovered eight retrievable satellites. After orbiting for 3 to 5 days, these satellites have all safely landed at landing zones in China's interior as scheduled. This 100 percent success rate in recovering satellites is a record in the history of space exploration.

As a pioneer in China's development of retrievable satellites, Wang Xiji is well-informed about the whole course of this development. He has given this reporter an account of how China has mastered its retrievable-satellite technology. Wang Xiji said: China's retrievable-satellite project was initiated in 1966. Since the day designing began, China's researchers have applied the principles and methods of systems engineering and focused their attention on the overall perfection of satellites without confining themselves to the advanced features of our satellites. The radius of a landing zone is limited to less than 10 km. This accuracy is quite remarkable by international standards. He humorously said: Without accurate-landing capacities, we would not have dared to recover our satellites on land. Otherwise, we would make ourselves an international laughing stock! A "minor mistake" in calculating the reentry velocity of a satellite and the angle included between the course to be taken by it after leaving its orbit and reentering the atmosphere and the land surface could lead to "very serious consequences." A satellite could land in another country and be "seized" by others even if our control of it is only slightly defective.

To make our satellites more reliable, with Premier Zhou Enlai's principle of "conscientiousness, thoroughness, reliability, and perfect safety" as a guiding principle and a code of conduct, our researchers have introduced a set of quality control criteria, which have proven to be workable. According to these criteria, electronics devices to be installed on board a satellite must first be sifted out of many and be subject to fatigue tests. The purpose of all this is to screen out ineffective components at an early stage. After a satellite is assembled, it has to be subjected to a concussion test before delivery. A second [as published] and a third [as published] set of quality monitoring devices are fitted at key points on board the satellite. Each satellite is produced according to extremely rigorous criteria.

Satellite parachute technology is an important part of retrievable-satellite technology. Satellite parachutes must meet much stricter requirements than ordinary parachutes. While it is being retrieved, a satellite shoots into the dense atmosphere at a velocity of 28,000 km per hour. The momentum is equal to that of 40 fully loaded trains (with 40 coaches each, the weight of each coach being 60 tons) moving at top speed. At an altitude of between 10 and 20 km, a satellite falls at a speed of about 200 m per second, which is about the same as the cruising speed of an ordinary civil aircraft. If a satellite hits the ground at this speed, it would be smashed into pieces. The purpose of a parachute is to put a drag on the satellite to which it is attached, thus helping it land at a safe low speed.

After conducting many simulation tests on the ground, Chinese researchers have decided that the safe and reliable fully retractable parachute will be used as both the drag and main parachutes attached to retrievable satellites. To find out more about the "performance" of this type of parachutes, Chinese researchers have spent 4 years testing them by opening them at different altitudes and under different conditions. The decision to attach this type of parachute to satellites was made after all simulator satellites with this type of parachute were able to safely land under all conditions. Having mastered the law governing the movements of descending parachutes, China has greatly enhanced the reliability and safety of its retrievable satellite cabins have landed without sustaining any damage. Even in 1986, the year in which the United States, the Soviet Union, and some other aerospace superpowers were troubled by "frequent accidents," China scored complete success in retrieving its satellites.

Performance of China's Satellites and the Types of Service Offered [subhead]

President Min Guirong of the Academy of Space Technology said: China will put its FSW-I and FSW-II satellites, which it has developed and built on its own, on the international market. The purpose of developing these satellites is to test a tri-axial position control, which is for adjusting the direction of a satellite with reference to the ground, and to conduct experiments in satellite-retrieval technology, remote-sensor technology, and space science. Each of these two satellites is composed of an instrument cabin and a retrievable cabin. The instrument cabin is a sealed structure which remains in orbit when a mission is over. The retrievable cabin is an ablation-resistant and heat-proof structure which returns to the ground when a mission is over. The temperature in an orbiting commercial satellite can be adjusted within a range of 0 to 50 degrees Celsius. The power supply and distribution system on board the satellite can produce a 27v primary current. Its capacity is about 1,300 ampere-hours. Clients can transform this electric current with their own direct current transformers. When being retrieved, a satellite lands at a velocity of between 15 and 20 m/s, and all instruments and apparatus retrieved are guaranteed to remain intact. The useful load of an FSW-I is 300 kg and that of FSW-II 500 kg. The retrievable part of the former weighs 150 kg and that of the latter weighs about 250 kg. The structure of a satellite and the accuracy and readings of the temperature control, attitude control, command control, power supply and distribution system, wireless control, and retrieval system on board can be adjusted according to the different requirements set by different clients.

President Min Guirong pointed out: In the next few years, China will provide two types of service. Foreign clients can rent from China an entire satellite or just part of it. For the second type of service, China will rent the remaining part of the space inside a satellite to foreign clients only if it can ensure that the fulfillment of its survey and experiment tasks will not be affected. [paragraph continues]

A foreign client can, within 24 months of signing a contract, place a useful load with a weight of less than 50 kg and a volume of less than 1 cubic meter into a Chinese satellite. The load will then be transported to space inside a satellite like a passenger carried by a bus. As for those foreign manufacturers who want exclusive use of an entire satellite, China will rent to them the entire deck space of a satellite so that they can produce new materials and new medicines in space.

China Will Give Preferential Treatment to Foreign Clients [subhead]

Min Guirong stressed: Outer space is mankind's common property. It should be used for peaceful ends and for benefitting mankind. China's purpose in offering retrievable-satellite service is, through international business contacts, to develop its own aerospace technology, to encourage international cooperation and exchanges in space technology, and to contribute to the peaceful use of outer space. Thus, China will encourage foreign users of China's retrievable satellites by giving them preferential treatment. Preparations are now being energetically made for the provision of retrievable-satellite service to foreigners.

RENMIN RIBAO ON LU XUN, 'TOTAL WESTERNIZATION'

HK160645 Beijing RENMIN RIBAO in Chinese 6 Mar 87 p 5

[Article by Yang Ming (2799 2494): "Did Lu Xun Favor 'Total Westernization?'"]

[Text] Some time ago, those upholding "total westernization" got Lu Xun involved, asserting that he also upheld "total westernization."

How did things really stand?

Lu Xun did say something similar to "reading no Chinese books whatsoever." He also criticized traditional Chinese medicine, as well as Chinese traditions. Moreover, he upheld the pursuit of "take-inism." But, can we come to the conclusion on such grounds that Lu Xun upheld "total westernization?" The answer is in the negative.

Let us first deal with the question of reading. In answering the question concerning "the book list of compulsory reading for young people" proposed by "Jing Bao Fu Kan" ["literary section of BEIJING DAILY"] in February 1925, Lu Xun wrote: "In my opinion, we should read fewer — or even no — Chinese books, but more foreign books." In addition, he said: "The effect of reading fewer Chinese books can only be failure to write essays in Chinese. The most important thing for young people at present is 'action,' not 'speeches.' So long as one is still alive, it is no big deal if he should fail to write an essay." ("On the Book List of Compulsory Reading for Young People" in "The Collection of Essays of Huagai.") The reason Lu Xun was so resolute in making the above statement had its peculiar historical background. On the one hand, after the May Fourth Movement, a reverse social trend emerged, which upheld showing respect to Confucius and studying classical scriptures, sorting our historical relics, and guiding young students to devote themselves to studying ancient literature, so as to transfer the vision of the younger generation and to make the apolitical. That was an ideological trend countering reforms. To guide young students to show concern for politics and the fate and future of the state and the nation, Lu Xun proposed "reading fewer Chinese books," and even "no Chinese books at all," and maintained that they should pay greater attention to realities, read more foreign books advocating science and democracy, and partake in activities in science and democracy. [paragraph continues]

These were entirely aimed at the ideological trends of countering reforms. On the other hand, the traditional Chinese culture left the Chinese people a heavy spiritual burden, and the voluminous dross of feudalism suffocated the national vitality. The study of more ancient books would gravely impede the bringing up of a generation of soldiers "with revolutionary ideas." That was precisely why Lu Xun called for "reading fewer Chinese books."

In fact, Lu Xun stated something more resolute regarding the traditional Chinese culture, he said: "Anyway, it is very difficult to survive without going in for reforms, and even more difficult to preserve things ancient. The actual situation has served as evidence, which is more eloquent than a long article dealing with preserving things ancient."

"Our most pressing tasks at the moment are: First, to survive; second, to find enough food and clothing; and third, to make progress. Any obstacles to these must be trampled down, be they ancient or contemporary, human or supernatural, ancient canon, rare text, sacred oracle, precious idol, traditional recipe, or secret nostrum." ("Sudden Notions (6)" in "Essays of Huagai.")

The last sentence in the above quotation seems to give proof of Lu Xun completely negating the traditional Chinese culture; however, if we have an overall grasp of his statement, we will find that he implied that reforms and saving the nation were of the first importance, and should traditional culture impede the future of the Chinese nation, it should be given up even if it was very good. Only by reform would it be possible for the Chinese nation to be invigorated, and could the traditional culture of China be preserved. Empty words would not help in preserving things ancient.

Therefore, we can see that when Lu Xun advocated "reading fewer Chinese books," and even said that all ancient canons and rare texts should be "trampled down," it was because he had a clear idea that the major issue facing China then was the survival and development of the nation, and the study of Chinese books and the preserving of traditional culture was a minor issue compared with that. Therefore, we cannot come to the conclusion that Lu Xun negated the traditional Chinese culture. We might as well observe the actual life of Lu Xun.

In the more than 3 decades of Lu Xun's writing, a considerable portion of his time was spent on collecting and doing research on rubbings from inscriptions on stone tablets or bronze vessels, pictures of the Han Dynasty and statues and images of the six dynasties, and even more of his efforts were devoted to editing, collating, and annotating ancient books. He edited and collated "The History of the Later Han Dynasty" by Xie Cheng of the Three Kingdoms, and "The History of the Later Han Dynasty" by Xie Sheng of the Jin Dynasty, and edited "Legend From the Tang and Song Dynasties," (some of which were taken from other books). The collation of "The Collection of Kang Mi" alone took him 11 years, (between October 1913 and June 1924). He worked on the collation of "The Collection of Kang Mi" once again in 1931, and wrote "Ancient Writings on the Collection of Kang Mi' No Longer Extant," and "A Textual Criticism on 'The Collection of Kang Mi.'" Lu Xun highly praised and evaluated the works by Kang Mi and other essayists of the Wei and Qin Dynasties, as well as such works of realism reflecting our national social life as "The Dream of the Red Chamber," "The Scholars," and "Strange Tales of Liao Zhai."

Here, an incident is worthy of note. Xu Shoushang, Lu Xun's bosom friend, asked the latter to become the teacher of enlightenment for his first born, Xu Shiyong, when the boy was 4 (in 1914.) [paragraph continues]

In 1930, Xu Shiying was admitted to the Department of Chemistry, Qinghua University. Later, he transferred to the Department of Chinese Literature, and Lu Xun wrote a list of books for his studies, twelve all told, among them "Historical Accounts on the Poetry of the Tang Dynasty," "Biographies of Talents of the Tang Dynasty," "A Collection of Essays since Ancient Times," "A Collection of Poems of the Han Dynasty, the Three Kingdoms, the Jin Dynasty, and the Northern and Southern Dynasties," "A Chronicle of Celebrities of Various Dynasties," "A Concise Index for 'The Complete Library of the Four Treasures,'" "Anecdotes of Scholars of the Tang Dynasty," "New Specimens of Social Talk" and "Discourses Weighed in the Balance".

Neither from his writing nor his ideas in giving guidance to young people in their studies, can we come to the conclusion that Lu Xun opposed studying any Chinese books at all.

Regarding traditional Chinese medicine and herbs, Lu Xun did say something very offensive. From the article "Father's Illness," we can see that he showed a strong disgust for, and repugnance to traditional Chinese medicine and herbs, and that was one of the causes for his later study of medicine. In his "Preface to 'The Call to Arms'", Lu Xun wrote: "Recalling the talk and prescriptions of physicians, and comparing them with what we know now, I felt they must be either unwitting or deliberate charlatans; and I began to feel great sympathy for the invalids and families who suffered at their hands. From translated histories I also learned that the Japanese reformation owed its rise, to a great extent, to the introduction of Western medical science to Japan."

This is course can be said to be a "harsh criticism," but it was not Lu Xun's final, and all-round understanding of traditional Chinese medicine and herbs. For a decade later, when Lu Xun read the "Compendium of Materia Medica" by Li Shizhen of the Ming Dynasty, he believed that "this is a very ordinary book, but contains rich treasures. Of course, unreliable records are inevitable; however, the functions of the majority of herbs are known based on long-term experiences, the descriptions of toxicants in particular." Lu Xun further pointed out, "all historical relics were gradually created by the ordinary people." (quoted from the essay "Experiences" in the collection of essays entitled "Mixed Dialects.") It is true that both essentials and dross coexist in traditional Chinese medicine. It is a reflection of this phenomenon that when he was ill, Lu Xun's father should have met a mediocre physician. Another reflection is that countless essentials are contained in "Compendium of Materia Medica." The combination of these two aspects was Lu Xun's concept on traditional Chinese medicine and herbs. There is no need to evade the fact that there were radical things in Lu Xun's concept on traditional Chinese medicine; however, by no means should we lump it with 'total westernization.'

While discussing Lu Xun's attitude toward Chinese and foreign cultures, we cannot but touch upon his famous essay "The Take-inism." "Take-inism" is often regarded as taking over bag and baggage all things foreign. In fact, this is a literal interpretation of the principle. In his essay, Lu Xun made a strict distinction between things "cast at," "cast off," "sent as a gift," and things "taken over." Things "cast at," "cast off," and "sent as a gift" are passive, while "taking over" something is active behavior. "We must use our brains, take a broader view, and bring things in ourselves!" Here, selection is involved; it is necessary to absorb the nutrients, and cast away the dross, making things foreign serve China. "In brief, we must take things over. We must use them, put them by, or destroy them." "But we must first be serious, brave, discriminating and unselfish. [paragraph continues]

Without taking things over, we cannot become new men. Without this, art and literature can have no renaissance" (see "The Collection of Essays Written in a Garret in the Quasi-Concession.") Take-inism means taking over things foreign with discrimination. Worthy of note is that "take-inism" does not deal with foreign culture only, and the same principle should be applied to traditional Chinese culture. Lu Xun made explicit in the essay "The Take-inism" the quintessences of our national tradition. Therefore, "take-inism" is by no means "total Westernization."

Lu Xun felt keenly the suffocation of the Chinese people caused by feudal culture, and he actively favored studying things foreign, and absorbing progressive things in the world civilization to serve China. However, he did not completely negate the traditional Chinese culture. Lu Xun attached great importance to the inheritance of history. He said: "A new class and its culture do not fall from the sky all of a sudden, and their development mostly takes place in the resistance against the old ruling class and its culture, namely developing in conflict with the old. Therefore the new culture has things inherited, while some things are still taken over from the old culture." (Quoted from "Postscript to 'Faust and the City'" in the collection of essays "Making Good Omissions and Deficiencies of Jiwaiji") Lu Xun held the view that traditional culture has double functions: "Ancient culture is as helpful as restrictive to the future." ("Preface to the Album on the National Joint Exhibition of Wood Carvings" in "The Second Collection of Essays Written in a Garret in the Quasi-Concession") In his discussion on the channels to develop the art of wood carving, he said, "The adoption, and bringing forward of good foreign approaches to make our works all the richer is one way, while selecting from the heritage of China, to fill it with vitality and to make future works take on a new feature is another." (Quoted from "An introduction to the History of Wood Carving" in "The Collection of Essays Written in a Garret in the Quasi-Concession"). Here, it could not be more explicit: Absorption, reference, and inheritance must be conducted with discrimination, whether it is Western culture or traditional Chinese culture; and the criterion is being helpful and favorable to developing the new culture. With Lu Xun, the question of completely negating traditional Chinese culture did not exist, neither did the question of "total Westernization."

NEW PRESIDENT OF ACADEMY OF SCIENCES INTERVIEWED

HK161003 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0412 GMT 14 Mar 87

[Article by reporter Qin Lang (4440 2597): "Interview With Zhou Guangzhao, Newly Appointed President of the Academy of Sciences"]

[Excerpts] He likes swimming and skiing but now he can only pace up and down in the office. He became known in the world for his achievements in the study of particle physics when he was less than 30 years old. However, he gave up everything, and came to a vast expanse of desert in northwest China and lit the nuclear "torch" of the Chinese nation. Firm political conviction and contempt for the shackles on new ideas, patriotic enthusiasm and devotion and love of American popular novels are found harmonious and unified in him.

Professor Zhou Guangzhou, who took up the post of president of the Chinese Academy of Sciences over a month ago, is just such a scholar with these rich colors. [passage omitted]

Since assuming the office of president of the Chinese Academy of Sciences, which has a total of 80,000 scientific and technological research workers, Zhou Guangzhao still firmly believes that academic democracy and free contention are the only two magic weapons for a flourishing science. He said: On no account should the Chinese Academy of Sciences interfere with freedom of academic research. It will not foster one school of thought and attack another for particular political purposes. There is no "frame" of a priorism in scientific research. Only by letting a hundred flowers blossom and a hundred schools of thought contend will we be able to seek truth. [passage omitted]

Professor Zhou Guangzhao was born in Changsha, Hunan Province in central China. From the way he talks, we find he has a strong sense of rendering service to repay the kindness of the motherland. Since assuming office, his primary task is to arouse tens of thousands of chosen scientific and technological research workers engaged in applied science and technological development to plunge into the "main battlefield" of economic construction. He believes that an overall thriving science depends on a developed economy.

"Science has no national boundaries, but scientists have their motherland." Zhou Guangzhao concluded the interview with this reporter by citing this celebrated dictum.

HU QIAOMU ENCOURAGES REFORMING SHANGHAI STUDENT

OW152339 Shanghai JIEFANG RIBAO in Chinese 7 Mar 87 p 1

[Excerpts] Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, recently answered a letter from Qian Hongbin, a student of the Huangpu District No 2 Work-Study School in Shanghai Municipality. [passage omitted]

Comrade Hu Qiaomu has repeatedly praised and affirmed the work of the Huangpu District No 2 Work-Study School in helping young people who have taken wrong steps in life. On 23 June 1986, he wrote the students of the school a letter encouraging them to have self-respect and self-confidence and improve themselves. He also assigned someone to call on the teachers and students at the school on his behalf. [passage omitted]

Qian Hongbin wrote Comrade Hu Qiaomu on the occasion of a "National Youth Letter-Writing Contest" sponsored by the Youth and Children's Department of the Ministry of Culture and eight other organizations last year. In his letter, Qian Hongbin described the progress he made since he entered the work-study school, and expressed his determination to begin a new life. [passage omitted]

The full text of Hu Qiaomu's reply to Qian Hongbin follows:

25 February 1987

Dear Student Qian Hongbin,

How are you?

Your letter, dated 25 November 1986 has been forwarded to me by SHAONIAN BAO [JUVENILE NEWS]. Your letter was well-written and I have read it over and over. I regretted that I couldn't come to see the teachers and students of your school on 23 June last year. I hope that I can come someday.

Your school organized a boat trip for you students to conduct a social investigation in Qingdao. While at sea, you worked as a steward and learned, with deeds, from Uncle Yang Huaiyuan on the ship. Although it was just the beginning, it showed that you and your fellow students can gradually do what advanced people do as long as you have determination and willpower. This means self-respect, self-confidence, and a will to improve yourselves.

Of course, you and your fellow students will encounter difficulties on the road ahead. Because of your past mistakes, you must have extraordinary determination and make persistent efforts to regain the trust of society. Be determined to be of value to society and to the people! Always learn from contemporary advanced people! If you persistently do so, society and the people will trust you.

Please say hello for me to your teachers and fellow students. [signed] Hu Qiaomu

STEADY GROWTH OF ECONOMY REPORTED IN JAN-FEB

OW160730 Beijing XINHUA in English 0719 GMT 16 Mar 87

[Text] Beijing, March 16, (XINHUA) -- The first two months of 1987 witnessed an all-round steady growth of Chinese economy but a shortage of funds and materials needed in agricultural and industrial production, the State Statistics Bureau reported Sunday.

To improve the irrigation systems in rural areas, governments supplied the peasants with more loans and materials. The sales volume of agricultural products increased 40 percent in January and February compared with the first two months of 1986, it said.

With the increased investment in agriculture, grain-growing fields have also been expanded this year.

In industry, the sale of industrial products began to improve.

The relation between market supply and demand was normal on the whole, it said. Total retail sales reached 92.1 billion yuan (24.9 billion U.S. dollar) -- 17.1 percent more than in the same period last year.

The total value of imports and exports hit 9.3 billion U.S. dollars, 2.5 percent higher. In dollar figures the value of exports climbed to 4.3 billion U.S. dollars, 18.1 percent more. By mid-February, the amount of non-trade foreign exchange earned was 370 million U.S. dollars more than the amount spent.

Meanwhile, investment in capital construction shrank but non-capital construction swelled remarkably, the bureau said.

By the end of February, the savings deposits of urban residents reached 244.7 billion yuan -- 21 billion yuan more than at the beginning of this year.

Statistics also indicate that there was a shortage in the supply of funds and materials urgently needed in farm and industrial production despite of the good developing trend in economy.

The state revenue was not satisfactory, but the administrative and management expenses grew, and the too fast a growth in the consumption funds has stimulated the general price level to continue to rise in some big and medium-sized cities.

ZHANG RUIYING ON EXTENSION OF WORKING HOURS

HK161346 Beijing CONGREN RIBAO in Chinese 4 Mar 87 p 1

[Article by reporter Liu Xiaogang (0491 2556 0474): "Zhang Ruiyang Makes a Statement on the Problems of Some Enterprises Extending Working Hours at Will"]

[Text] Many readers have recently written letters to this paper reporting that some factories and enterprises have extended workers' working hours at will. Leading comrades of the All-China Federation of Trade Unions have shown great concern over this. Zhang Ruiying, vice chairman of the All-China Federation of Trade Unions, recently made a statement to reporters.

Zhang Ruiyang said that our country has implemented the policy of opening up and invigoration, arousing the enthusiasm of factories and enterprises for production. In the wake of the establishment of the production responsibility system and of the emergence of various forms of operation, including operation by contract and lease, operation with Chinese and foreign investment, and sole proprietorship. There has universally appeared among enterprises a gratifying situation in which they strive to break a record in their output value and profits and to concentrate on economic results. It has broken with our country's long existing passive situation of egalitarianism, of "everyone eating from the same big pot," and of not striving to progress and played a part in promoting the development of the national economy. Some new problems have also appeared at the same time. The incidents of extending workers' working hours at will and of infringing upon their interests have now taken place often in enterprises. Our attention must be drawn to this problem, which should be seriously addressed.

It has been learned that incidents of extending workers' working hours have existed in varying degrees in many enterprises throughout our country. This situation has been particularly obvious in enterprises run by contract or lease, enterprises using joint Chinese and foreign investment, and enterprises using sole foreign investment, and in some trades, including clothing, construction, and city administration. When recruiting contract workers, individual enterprises openly demanded that workers sign an agreement on willingness to work overtime, some enterprises fined and dismissed workers who were unwilling to work overtime, and some enterprises using sole foreign investment even forced workers to work overtime for 24 consecutive hours. Zhang Ruiying said that the working class is the master of our country and has the right to labor and rest. Nonworking hours after 8 hours should belong to the workers themselves and not be infringed upon at will by enterprises. Individual enterprises have now cut down Sundays and holidays that workers are lawfully entitled to have free and made them work overtime in ordinary time so that workers cannot take care of their children and make arrangements for their household affairs and young people have no time to study, enjoy leisure time, or have a love affair. This phenomenon cannot be permitted.

Vice Chairman Zhang Ruiying said that it is necessary to rely on production directors' scientific management, on the improvement of labor conditions and labor environment, on arousing workers' enthusiasm for production, and on bringing workers' intelligence and wisdom into play to enhance labor productivity. Trade unions have always opposed the method of not stressing science and of relying on extending working hours and on increasing the amount of work to raise economic results. [paragraph continues]

This method harms workers' health. Not only can productivity not be enhanced, but the loss will outweigh the gain. Showing concern for and protecting workers' personal interests and upholding their lawful rights and interests is the duty of trade unions. Trade union organizations at all levels must show concern for this matter, carry out their duties, and speak for workers.

She said that following the further deep-going development of the economic reform of our country, the defects and maladies of the old management system have been prominently expressed and leaders at all levels must fully understand, correct and perfect them at all times. The characteristics of an industrial commodity society demand perfect legislation, which we still lack. Our country has so far not formulated corresponding regulations on labor administration and definitely provided statutory working hours for workers and liabilities for violation of the law. Without the law, there is no unified criterion for enforcement. This is one of the reasons enterprises indiscriminately extend working hours. It is suggested that relevant departments formulate corresponding laws and regulations as soon as possible and submit them to the State Council for approval and enforcement. The NPC Standing Committee is requested to formulate the "law of working hours" which is closely bound up with the workers of our country. Before this work is done, some provisional regulations should be issued so that enterprises can enforce them.

Finally, Vice Chairman Zhang said it was unavoidable that factories and enterprises temporarily extended working hours or extending working hours in an emergency situation, during festivals, and on holidays. The government and relevant departments have had strict and specific regulations on these circumstances. These regulations must be strictly enforced and the scope should not be expanded at will. In consultation with administrative departments, trade unions must uphold workers' lawful rights and interests.

IMPORTATION OF FOREIGN TECHNOLOGY CONTINUES

OW131306 Beijing XINHUA in English 1117 GMT 13 Mar 87

[Text] Beijing, March 13 (XINHUA) — China keeps importing more foreign technology which is better suited to China's practical situation, "INTERNATIONAL BUSINESS", a Beijing-based newspaper, reported today.

The State Economic Commission designated 12 trades including the light, textile, machine-building, and electronics industries as key areas for technological imports, the paper reported.

The Tianjin municipality has focused on applying foreign technology in the manufacture of color T.V. sets, refrigerators, washing machines and photo-copiers, and the city's color T.V. sets are popular on the international market, the paper said.

In Liaoning Province, the government has allocated eight million yuan (2.2 million U.S. dollars) to import foreign technology for 49 projects. "The Benxi Electronics and Telecommunications Company has utilized advanced foreign technology in the manufacture of telephones," the paper said, "and now annually the company can produce 60,000 computer-controlled telephones using domestic equipment, which are expected to earn 900,000 yuan (243,000 U.S. dollars) in profit."

Dalian, also in Liaoning Province, has also imported and applied 17 new foreign techniques, and has set up 34 assembly-lines making 14 types of key equipment for use in the city, according to the paper.

In the non-ferrous metal industry, China has worked out 69 types of equipment to electrolyze aluminium, and 67 to melt bronze and produce acid-based materials thanks to imported Japanese technology, the paper said.

COMMENTATOR URGES PREVENTING ABNORMAL SPENDING

HK150625 Beijing NONGMIN RIBAO in Chinese 5 Mar 87 p 1

[Commentator's article: "Guard Against the Emergency of an Abnormal Spending Structure in the Rural Areas"]

[Text] A tendency in many areas at present merits our serious attention: The increase of peasants' living expenses exceeds the increase of peasants' expenses for production, or even the increase of their net income. Furthermore, this trend of regarding spending in daily life as more important than production and investment is still developing.

According to a sampling investigation in a province, the peasants' per capita living expenses in the province last year increased by 12 percent over the previous year, but their net income increased by only 1 percent. In another province, the money spent by every peasant on daily life last year increased by 5.4 percent, but the expenses for production decreased by 11.2 percent. Forecasts made by some provinces and counties on this year's spending expenses in the rural areas this year also indicate that the input in production, especially in farming, will further decrease, but living expenses will increase by a big margin.

With more money in hand, peasants wish to eat, dress, and live better. This is blameless. But it takes a lot of learning regarding how to improve life and how to handle the relationship between production and spending. An important principle is: The pace of improving life must be well coordinated with the growth rate of production. This means we must gradually improve our life on the basis of developing production and that funds spent on improving life should not affect our production ability. Only thus can we reserve our "strength." Otherwise, if we eat, dress, and live well but fail to develop production, we will wear away a mountain of wealth.

There are complicated reasons for the decrease in production input. For example, some people are afraid of "change," saying that they would "rather eat up everything than spend it on field" and that "when spending money, we can rely on ourselves; when farming, we can turn to the state for loans." The other reasons are: Predatory operation resulting from short-term lease contracts; increases in the prices of means of production; unreasonable charges; and the peasants' degree of wealth and undue stress on upgrading our spending level over a period of time have had a great impact on abnormal changes in the rural spending structure. In some places, the practices of sending gifts and inviting others to dinner parties are prevalent; people go in for ostentation and extravagance, and peasants' expenses on building houses have doubled and redoubled, far exceeding their current economic ability. On the other hand, the increasingly simple mode of production, the gradual decrease in input of production, backward conditions in production, and excessive spending have formed an abnormal spending structure. It has adversely affected economic development and, in the end, hindered continuous increase of peasants' spending level.

Therefore, it is necessary to guide peasants to spend limited funds on developing production at present. As an independent economic entity, a peasant household must maintain a reasonable ratio between accumulation and spending. In making arrangements, a peasant family must give priority to expenses for production instead of living expenses, and must make overall arrangements for expenses spending on food, dressing, housing, daily necessities, culture, education, and health. Peasants must pay attention not only to the immediate interests, but also to long-term interests, and must spend money on what they need most.

In developing production, we must not only know how to "use strength," but also know how to "reserve strength," so that we can accumulate strength for developing production for a long time. Accumulation in living results from accumulation in production. Therefore, we must turn our efforts to compete with each other in ostentation and extravagance into efforts to compete with each other in developing production. Please remember: Life should be improved step by step.

HONG KONG PAPER ON CURRENCY RISKS IN PRC FIRMS

HK140608 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 14 Mar 87 pp 1, 8

[Text] Some Chinese corporations have been forced to delay payments or renegotiate contracts with foreign suppliers because of financial problems caused by currency risks, according to banking sources.

They said there was an urgent need for China to provide forward covering to enable these corporations to hedge their currency risks.

"As a result of the financial problems, some Chinese corporations have delayed payment, renegotiated contracts or argued over the terms of the letters of credits," said one banker.

"This is sad because it damages China's reputation in honouring contracts."

A senior official of the Bank of China [BOC] in Zhujiang confirmed that Chinese importers had suffered losses because of the depreciation of the renminbi and the continued appreciation of the yen and Deutschemark.

To overcome this problem, his bank had recently started to provide forward contract services.

"But foreign exchange is a complicated subject. It takes time for the factories or the corporations to understand and make use of our services," he said. "Some of them are not willing to use our services because they don't want to pay extra fees."

The Zhujiang branch, which is in Guangzhou, is one of several BOC branches throughout the country authorised under bank reforms to provide innovative services. It is understood that other regional branches are working towards providing forward covering.

A number of foreign banks have also held seminars in China for BOC officials to discuss the management of foreign exchange risks. It is understood that foreign banks are keen to co-operate with the BOC in setting up hedging operations.

Foreign traders have recently complained that China has delayed payments and is reluctant to sign new trading contracts.

While some traders blame the slowdown in business on the recent campaign against "bourgeois liberalism", others believe the difficulties stem purely from China's economic problems.

"Because of the foreign exchange risks and because Beijing does not have effective control over its overall spending, Chinese authorities are increasingly concerned about the drain of its forex reserves," said one trader.

"As a result, the Bank of China has tightened its scrutiny on the issue of letters of credit."

The problem of foreign exchange risk was raised by a high-powered delegation from the Hong Kong General Chamber of Commerce during a recent visit to Beijing.

The State Administration of Exchange Control is reported to be studying the matter.

The Zhujiang Bank official said most Chinese corporations were given foreign exchange allowances in U.S. dollars, which have depreciated by about 35 to 40 percent against the yen and mark since late 1985.

Because of a lack of hedging mechanisms, some Chinese factories which ordered equipment from Japan and Germany have found it hard to stick to their contracts.

"Some were forced to trim their orders and some had to dig into their reserves to honour the contracts," said the official.

China imported about U.S. 9.2 billion-worth of goods from Japan last year, more than 25 percent of the country's total purchases.

Adding to the corporations' difficulties was the 15 percent devaluation of the renminbi in July last year.

VILLAGE COMMITTEE RULES EXPLAINED AT NPC SESSION

OW170815 Beijing XINHUA Domestic Service in Chinese 1545 GMT 16 Mar 87

[Text] Beijing, 16 Mar (XINHUA) -- Peng Chong, vice chairman of the NPC Standing Committee, speaking at a joint meeting of the 20th Session of the 6th NPC Standing Committee today, said that the chairmanship meeting, after serious deliberations, had suggested submitting the draft regulations governing the organization of village committees, which will be an important law concerning 800 million peasants, to the forthcoming 5th Session of the 6th National People's Congress for examination. Members presiding over the meeting approved of the suggestion.

Peng Zhen, chairman of the NPC Standing Committee, attended and spoke at today's joint meeting.

According to the meeting's agenda, it was originally scheduled to make a decision on the draft regulations governing the organization of village committees by a vote during the Standing Committee's meeting.

Xiang Chunyi, vice chairman of the NPC Law Committee, gave an explanation at the suggestion of the chairmanship meeting.

He said: The draft regulations governing the organization of village committees is an important law concerning 800 million peasants. The village committees are a form of organization at the most basic level, representing 800 million peasants. Implementing mass self-government is an important form of achieving direct socialist democracy in rural areas. According to the Constitution, the village committee is a self-governing organization of peasants which enables them to govern themselves and administer affairs related to the village and their personal welfare; it is also an important way and form to whip up the peasants' enthusiasm for building socialism and achieving socialist democracy.

He pointed out that the village committee is an important bridge and link between the people and the government. The party and the government should serve the people, and should maintain contacts with the people and understand their suggestions and demands. The village committee is an important forum for this purpose. The party and the government can understand the people's demands and suggestions through the village committee, thus promoting contacts between the government and the masses. The village committee reflects the peasants' opinions and demands and can also supervise the government.

He said: Self-government by the masses is also self-education on the part of the masses; it is conducive to strengthening the building of socialist spiritual civilization.

Chairman Peng Zhen said: The draft regulations governing the organization of village committees is an important basic law concerning 800 million peasants. The chairmanship meeting, after discussion, put forward an interim motion to place the draft regulations on the agenda of the forthcoming Fifth Session of the Sixth National People's Congress.

Peng Zhen said: We have not inherited any democratic traditions from the old China. During the revolutionary years, our base areas and liberated areas had some form of democracy, but that was democracy under conditions of war. At that time, everything was for the sake of war, and we could not but lay stress on centralism. With such a social and historical background, we have not been able to form the habit of democratic life in our country. How can we solve this problem? We must grasp two ends: At the upper end, the National People's Congress and the people's congresses at various levels must seriously carry out their duties entrusted upon them by the Constitution, develop socialist democracy, and strengthen the socialist legal system. At the lower end, direct democracy must be implemented at the grass-roots level and everything related to the interests of the masses must be managed and decided on by the masses. The integration of both ends will expedite the pace of socialist democracy.

Peng Zhen continued: According to the Constitution, both the village committee in the rural areas and the neighborhood committee in the cities are self-governing organizations and will not function as "organs" of the governments at the grass-roots level. Doing a good job in setting up village committees is tantamount to effectively running democratic training classes for the 800 million peasants and enabling all of them to accustom themselves to the democratic life style. This is a very important basic work for developing socialist democracy.

NPC SESSION DELIBERATES ON ENTERPRISE LAW

OW132010 Beijing XINHUA in English 1513 GMT 13 Mar 87

[Text] Beijing, March 13 (XINHUA) -- Members of the National People's Congress (NPC) Standing Committee attending the ongoing 20th Standing Committee meeting believe that the implementation of the draft law on state-owned industrial enterprises will further enliven the enterprises and promote the present economic reforms in the urban areas.

They suggested that the NPC Standing Committee submit the draft to the coming Fifth Session of the Sixth NPC for approval.

In his speech at a panel discussion, Geng Bao, vice-chairman of the NPC Standing Committee, said that the ruling in the draft law that industrial enterprises must raise their economic results by being diligent and combating waste is very necessary.

Member Yang Ligong noted that the draft law stipulates that the supply of energy and raw materials must be ensured before a new enterprise is built. This will help curb the tendency of random setting up of new enterprises and achieve a more balanced development of the national economy, he said.

However, different opinions were raised concerning the decision-making power and responsibility of factor directors and the role and functions of Communist Party organizations in the enterprises.

Song Chengzhi pointed out the factory director responsibility system means in essence that the director should be responsible for the production and management of the factory. Other tasks, including party affairs and ideological work, should be seen to by the party committee. Therefore, it is important to make clear the role and functions of party organizations in the new law, he said.

Zhang Zishai disagreed by saying that the leadership of the Communist Party in industrial enterprises has already been made clear in the constitution. There is no need to make special stipulations in the draft law, he maintained.

The factory director responsibility system has been proved feasible after being tried in many enterprises. Factory directors must be given appropriate powers if they are to be responsible for the overall work of the factories, he added.

Wu Juetian said the implementation of the factory director responsibility system has been restricted in some enterprises due to certain negative reactions on the part of party committee secretaries. This has seriously hampered the reforms in the enterprises, he noted.

Opposing opinions were also voiced concerning the responsibilities of factory directors and the establishment of administration committees within the factories.

Peng Qingyuan believed that decisions should be made by the administration committee instead of by the director alone.

Gu Gengyu objected by saying that to make the director responsible for the overall work is beneficial to the enterprise. The setting up of an administration committee will not affect the responsibility system because the director is answerable to the committee and handles most of the routine work of the factory.

Suggestions were also made for further revision of the draft law.

This is the third time that the NPC Standing Committee examines the draft law, which was first submitted to the committee in early 1985 and was re-examined last November.

DISCIPLINE COMMISSION CIRCULAR ON WORK ETHICS

OW151250 Beijing XINHUA Domestic Service in Chinese 0242 GMT 15 Mar 87

[Text] Beijing, 15 Mar (XINHUA) -- The CPC Central Committee's Discipline Inspection Commission issued a circular on 14 March in which it urged all party members to exemplify professional ethics. The text of the circular is as follows:

An article of the party Constitution concerning the duties of party members stipulates that party members should "play an exemplary vanguard role in production and other work, study and social activities, take the lead in maintaining public order, promote new ways and customs, and advocate communist ethics." The Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization, adopted at the 6th Plenary Session of the 12th CPC Central Committee, demands that "we should raise the standard of professional ethics in all types of work. First of all, cadres in party and government organizations should be honest and enthusiastic, and they should serve the people wholeheartedly. They should oppose bureaucraticism, cheating, and abuse of power for selfish purposes." The above quotations indicate communists' important role of fostering socialist professional ethics and clearly demand that all party members should take the lead in advocating and observing professional ethics.

By playing an exemplary vanguard role in raising the standard of professional ethics, communists serve as an important link in safeguarding discipline and improving the work style in all trades, and also in fostering good social conduct. Our experience in the past few years shows that to eliminate the unhealthy tendencies in all types of work, we must raise the political consciousness of staff members and workers and also raise the standard of professional ethics in the entire trade. Our experience also shows that communists can play an important role in fostering and strictly observing professional ethics in all types of work by setting a good example in advocating and observing them. Communists' attitude toward fostering and advocating professional ethics has a great impact on fostering ethics and customs in all trades and also throughout society. If our masses of party members, particularly party cadres, are concerned with, advocate, and foster socialist professional ethics, and if they set a good example while working at their respective posts, they can guide and influence the masses around them to consciously observe professional ethics, thereby curbing the unhealthy tendencies in all trades and improving the standards of social conduct.

The fundamental principle of socialist professional ethics is serving the people wholeheartedly. To exemplify professional ethics, communists should observe the following main points: In doing their work they should serve the people wholeheartedly; they should be honest, unselfish, enthusiastic, and devoted to their duties; they should improve their professional knowledge, and strive to make their work and that of staff and workers in the same trade benefit socialist construction; communists must resolutely oppose and resist cheating, bureaucraticism, dereliction of duty, harming others or the public for selfish purposes, cheating the public for selfish gain, putting money above all else, abuse of power or lines of production for private interests, blackmail, and extortion, which are incompatible with socialist professional ethics. Communists should understand that it is their fundamental duty to exemplify socialist professional ethics and that it is the duty of cadres and members of the ruling party to promote socialist professional ethics. If party cadres willfully turn their back on professional ethics and undermine work discipline, they are actually violating the aim of the party, directly damaging the prestige of the party and the government, and hindering the implementation of the principles and policies of the party and the government. If this happens, it is impossible to build a socialist civilization.

In order to continue to implement the Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Civilization, all party organizations and discipline inspection organs should strive to promote good professional ethics in all types of work and regard this as an important task of improving party style, safeguarding party discipline, and eliminating the unhealthy tendencies in all trades, and they should grasp this task well.

1. Party organizations and discipline inspection organs at all levels must pay special attention to fostering professional ethics and regard this as an item on their working agenda. In accordance with their specific conditions, all trades and professions should establish and gradually improve their standard of professional ethics. Communists must take the lead in observing existing standards of professional ethics and other work regulations and rules. At the same time, party organizations and discipline inspection commissions (discipline inspection groups) at all levels should support administrative departments in teaching professional work style and in improving the professional skills of staff members, workers, and party cadres. Particular attention should be paid to raising the standard of work ethics in party and government offices and in the departments involved in directly serving the daily life of the people.

2. Education in professional ethics should be conducted in depth. This education should be integrated with the education on party spirit, party style, and party discipline. In light of the reality of different trades and professions, party members should be taught what they should oppose, what they should advocate, what is right, and what is wrong. Party members and cadres should be helped, through education, to enhance their ideological consciousness on the basic question of ideals, discipline, and world outlook. They should also be helped to strengthen their concept of serving the people, to love their work, and to foster good ethics and customs in the course of carrying out reforms.

3. Inspection and supervision must be strengthened. Helping party members foster work ethics should be regarded as an important part of party activities. It is necessary to heed supervision by the masses. An effective system of awards and penalties as well as a system for supervising and checking work performance should be established by integrating supervision by the masses, supervision within the party, and administrative supervision.

4. Party discipline must be strictly observed. Party members who corrupt and undermine professional ethics must be handled sternly. In serious cases party disciplinary action must be taken.

GONGREN RIBAO ON ENTREPRENEURS' POSITION

HK150537 Beijing GONGREN RIBAO in Chinese 27 Feb 87 p 3

[Article by Zhang Shengyao (1728 5110 1031): "The Position and Quality of Entrepreneurs"]

[Text] During the process of carrying out the factory director responsibility system in recent years, some experimental enterprises have deeply felt that to invigorate enterprises it is imperative to straighten out the various economic relations, of which the most important are, of course, the relations between the state and enterprises, the relations within enterprises, and the relations among enterprises. [paragraph continues]

Notwithstanding that these relations are based on a series of decisions and regulations of the central authorities and the State Council, it still needs the courage and spirit of reform and efforts to truly straighten out these relations in practice.

The economic interests of enterprises are realized in the pattern of profits. Except for profits delivered to the state in the form of taxes, the remaining profits of enterprises are reserved as funds for developing production and improving the living of staff and workers. Therefore, it is completely rational that factory directors should strive to acquire greater profits. Nevertheless, factory directors' pursuit of profits must be based on safeguarding and ensuring the interests of the state, society, and consumers and put into the orbit of the basic economic laws of socialism. This is the key to handling the interests of enterprises and the state as well as the fundamental professional morality socialist entrepreneurs must possess. However, the big financial and tax inspections conducted successively in 1984, 1985, and 1986 have uncovered many cases of tax evasion and fraud, i.e., state-owned enterprises under the system of ownership by the whole people infringed upon the interests of the state and all the people. Of course, there are some irrational factors in the current policies on commodity prices and taxation and unequal phenomena among enterprises. However, these cannot be the reasons for not caring for the interests of all the people. In order to acquire some "preferential treatments" in the aspect of taxation, credits, prices, and so on, some enterprises even invited some of the government officials in charge of the financial and tax departments to banquets, in addition to giving them handsome gifts. Obviously, these deals are at the expense of the interests of the state, society, and consumers and gain interests for enterprises. As far as the factory directors are concerned, this is bribery not to be tolerated by the ethics of enterprises. As far as the relevant government officials are concerned, the acceptance of bribes violates the law and must be resolutely stopped.

Socialist entrepreneurs should pay attention not only to the distribution of profits but also to the production and operation of their enterprises. They should not let their thinking remain on the level of reducing taxes and giving up profits of 2 years ago but concentrate on increasing production and practicing economy and increasing revenue and reducing expenditure. They should make the policies and regulations more perfect through their creative works, rather than look for loopholes in the policies and regulations. They should concentrate their efforts on making their products marketable and reducing consumption, rather than on planning to increase commodity prices in disguised forms. They should become a far-sighted master in making profits and increasing income, rather than a slave of profits with only some immediate petty profits in mind. They should be upright and frank entrepreneurs, rather than people engaging in shameful activities like tax evasion, smuggling, fraud, and so on.

The factory director of a socialist enterprise must possess two identities. He is the leader of the enterprise commanding the production and operation of the whole factory as well as the public servant of the staff and workers and the enterprise. This is a manifestation of socialist production relations.

First, being different from those of capitalist enterprises, the factory directors and staff and workers of socialist enterprises are equally the enterprise owners and component parts of what Marx termed the "total workers." Bearing a common relationship of labor division and coordination, the factory directors and staff and workers share common and fundamentally identical interests and do not have a difference of status. Though their wages and remunerations differ, it only shows that their roles in and contributions to the society and enterprises differ. They are completely equal under the principle of equal pay for equal labor.

Second, it is an inevitability of socialized mass production that factory directors play a central role in a central position in enterprises, and it is a need of increasing the economic effectiveness and strengthening the vitality of enterprises that factory directors unitedly command the production and operation of their enterprises. Being very complicated under the condition of socialized mass production, management work is a comprehensive science and must be undertaken by persons with special knowledge, quality, and capability. Notwithstanding that in the socialist society each staff and worker can possibly become a factory director through making efforts and that this right is equally shared by everybody, because of the existence of the three major distinctions in fact, this job can be undertaken by everybody. Therefore, these posts are relatively fixed onto managerial personnel who have demonstrated some capabilities in competition, thus forming a stratum of entrepreneurs. Proceeding from the need of socialized mass production, all our staff and workers must obey the unified command and respect the authority of factory directors. In fact this is also respect for their own labor, as well as their status of being masters.

Third, whether they are party members or not, factory directors of socialist enterprises are also public servants of the staff and workers as well as their enterprises. Managing socialist enterprises is also a pattern of serving the people. Nevertheless, indiscriminately copying the managing methods of the Taylor system at the early stage of capitalism, some enterprise directors arrogantly treat staff and workers and wantonly trample on the democratic rights of staff workers. This is totally wrong. Vigorous management and equality of status, fairness in meting out rewards or punishments, harmonious relations, and clarifying duties and helping each other are not contradictory but can be properly handled. At present, another factor affecting the relationship between factory directors and staff and workers is that many staff and workers take vigorous exception to the practice of giving dinners and sending gifts and indulging in extravagance and waste. This is a complicated issue, which cannot be easily defined in detail. Although proper social contacts among enterprises are unavoidable and it is also rational to entertain people properly, the present standard of this kind of "entertainment" and the expenses involved have been constantly increasing, greatly exceeding the extent acceptable to staff and workers. As this tendency will surely result in a divorce from the masses, it is highly necessary to reduce this atmosphere. A factory director should coolly and "properly" master the principles and often hold dialogues with the workers and staff representative assemblies to report the situation in this aspect to them and to exchange ideas and acquire their understanding and support. Factory directors taking the lead in "not listening to lies and impractical suggestions, pursuing fabulous fame, and doing hypocritical things" and working in the capacity of being public servants of the workers and staff will not weaken the authority of the factory directors but will, on the contrary, help them build a noble image in the eyes of workers and staff. This is conducive to unitedly commanding the production and operation of the whole factory and arousing the enthusiasm of staff and workers.

One of the reasons some of the responsible departments do not want to smoothly delegate powers to enterprises is because they fear that once the enterprises become independent and have more powers, they would do "excessive things" and act recklessly. Therefore, although they have been forced to disband the administrative companies, they always want to set up some other organizations to control the enterprises. In fact, whether the conduct of enterprises "exceeds the bounds" is mainly determined by whether the social economic order is normal and has nothing to do with the degree of independence of enterprises. The sense of independence and sense of dependence of enterprises are linked and grow together.

Along with the development of commodity economy and implementation of the three regulations, on the one hand, enterprises have become the relatively economic entities responsible for their own profits and losses and operating on their own, thus strengthening their sense of independence, self-reliance, and self-respect. On the other hand, enterprises have broken with the framework of being "large and comprehensive" and "small and comprehensive," thus strengthening their lateral dependence on the society. The effects of these two interactive roles will surely result in fundamental changes in the concepts of service, competition, agreement, credit, and law to suit the needs of commodity economy. The complex and interrelated relations of mutual dependence and competition should not be coordinated mainly by a "grandmother" but should be regulated by agreements, contracts, credit, and law and bound by the norms of honesty, creditability, willingness, and equality to let enterprises normally carry on production and reproduction, to set up a benign and normal economic order. Only in such an economic order can the latent vitality of enterprises be brought into full play.

For a long time, some enterprises regarded agreements as trifling matters and contracts as useless paper. The phenomena of attaching no importance to laws and social norms resulted from the lack of independence and power of enterprises. As a result of the disorder of social economy, enterprises could manage to exist only by eating from the same big pot of the state. In accordance with the principle of separating the right of ownership from the right of operation, after acquiring some decision-making powers, enterprises would have the pressure of responsibility and existence. Under this condition, enterprises would surely need the help of the society and urgently hope that the economic activities would be protected by laws, systems, and agreements. Otherwise, the interests of enterprises could not be protected and the factory directors could not be at ease. If enterprises have such a desire, there is no point in worrying that the economic relations would not be straightened out and put into the orbit! Thus, we can see that the independence and dependence of enterprises are two aspects of one issue. As far as a competent entrepreneur is concerned, the more power he is given, the more prudent he will be in making decisions.

JINGJI RIBAO ON REFORM, ECONOMIC DEVELOPMENT

HK050508 Beijing JINGJI RIBAO in Chinese 14 Feb 87 p 3

[Article by He Jiacheng (0149 1367 2052), Bian Yongzhuang (6708 0516 1104), and Du Haiyan (2629 3189 3601): "Correctly Grasp the Relationship Between Reform and Economic Development: Reflections on Practice in Reform During the Past 8 Years" first three paragraphs published in boldface]

[Text] Since 1978, the national economy has returned from the brink of collapse to the track of an initially steady development, but repeated irregular fluctuations in economic operations have emerged which have become difficult problems hampering reform and development.

Influenced by various factors, economic instability has objectively become a normal state. Therefore, reform has to proceed in instability, and economic stability can be achieved through reform. Skill and art in reform are indispensable to this process.

When the economy is in the unstable state of overheating or over-cooling, both macroeconomic and microeconomic results decline. Therefore, the unity of speed and efficiency should be based on economic stability.

The goal of China's economic structural reform is, in the final analysis, to achieve a long-term, steady growth in national economy. Therefore, correctly handling the relationship between reform and economic development is a point crucial to the question. After 8 years of reform, it is necessary to make a profound reflection on the gains and losses of the reform, whether from the viewpoint of observing realities or from the viewpoint of looking back at what we have achieved in the past.

Reflection One Irregular Economic Fluctuations Impediment to Reform and Development [subhead]

Since the 3d Plenary Session of the 11th CPC Central Committee, our country's economy has entered the development stage in history stressing an enterprising spirit. With in-depth development of the economic structural reform and changes in economic development strategy, the entire national economy has returned from the brink of collapse in 1978 to the current track of initially steady development.

However, it must be noted that as the economy develops and structural reform goes on, because the existing chronic illness of overexpending in investment, the traditional structure has not yet been eliminated and overexpanded consumerism has prematurely emerged in the wake of pattern transformation. Moreover, it gains momentum now and then, making it difficult to get expansion of total demand under control. Consequently, irregular fluctuations in economic operations have surfaced repeatedly. After a relatively big fluctuation in economic operations occurred between 1979 and 1981, a new round of ups and downs began in the last quarter of 1984. In 1986, the financial deficit piled up further; bank credits could hardly be curtailed; nonproductive expenses, in particular, group spending, remained high; employees' income became an independent economic variable hard to control and, what is more, it increased at a rigid, ultrafast speed; and although the overall level of prices had been put under control, it remained vulnerable to any change.

All this has helped us realize that irregular economic fluctuations have an extremely adverse effect on the rapid and effective development of the economy and the smooth progress of reform.

The experience of the past has shown that the instability caused by irregular economic fluctuations can, more often than not, disrupt smooth development of the economic and social process, bring out or intensify people's dissatisfaction, lead to confusion in interest signals and deviations of the relationship of interests from the rules of distribution. As a result, either the prematurely high growth rates of the economy will be scaled down at a higher price, or the instability of the economic process will be further aggravated and the minimum economic development targets will come to nothing. Meanwhile, just as the case which has been proved by experiences over the last few years in our country and other socialist states, economic instability will increase the uncertain factors in the reform, handicap the reform, and even lead it to the situation of one step forward, two steps backward.

Reflection Two: Is Economic Stability Actually the Condition or Result of Reform?
[subhead]

This is the prerequisite for a correct judgment on the situation and a good grasp of the opportunity of reform. Generally speaking, economic stability is decided by at least three factors, such as the guiding ideology on the macroeconomy and policies closely related to it, the economic structure, and structural patterns. A change in any one of them will cause economic instability. For example, with regard to the guiding ideology for the economy, any premature effort to achieve quick results is apt to lead macroeconomic policies toward a tendency to use financial deficits to expand currency supplies. Regarding the economic structure, any change in demand and supply patterns, particularly the fixing and freezing of prices, will generate a partial imbalance between the supply and demand of specific departments. As far as structural patterns are concerned, the impulses for expansion and investment, or consumption hunger, inherent in the traditional economic structure will make the use of economic resources and effective demands excessive and lead to an imbalance between total supply and demand in economic life. Hence, economic instability becomes a normal state. Even in the course of reform, dislocation of the economic structure caused by the leftist influence on guiding ideology remaining from the old structure, and the coexistence of the old and new structures, will also generate some new destabilizing factors in the economy. In this sense, economic stability can only be the result and not the condition of reform whether prior to, or in the wake of, reform. Therefore, we have to conduct reforms in a situation where the economy is not so stable and the environment is not so relaxed. If we concentrate on creating a relaxed environment and blindly wait for economic stability, this may inappropriately slow down the reform inappropriately or we will lose a chance. Of course, instead of giving up our efforts to stabilize the economy, we should make unremitting efforts to create a stable environment for reform, using reform measures and plans and the skill and art of opportune selection, especially in such limited areas as the guiding ideology for the economy, and macroeconomic policies.

Reflection Three: Unity of Speed and Efficiency can be Achieved When the Economy Develops Steadily [subhead]

The practice over the last few years shows that in our economic development, speed and efficiency often contradict or clash with each other and, consequently, economic results become an economic variable having nothing to do with growth rate. In other words, economic results are always hard to improve and they may even drop regardless of the level of growth rate. With some sober pondering, we will find that the fundamental reason behind this state of affairs is our failure to rely on economic stability in achieving unity of speed and efficiency. Therefore, when the economy is overheated, total demand is increasingly surpassing total supply, market pressure is insufficient, the lateral regulation of market mechanisms is weakening, and investment prospects are promising. In this situation, enterprises will blindly expand their production capacity regardless of investment returns, technological progress, and cost management. At the same time, financial deficits and the scale of credits will become more stretched and both microeconomic and macroeconomic results will drop drastically. When the economy is over-cooling, there will be a contraction in total demand and this can suppress total supply to a greater extent and may result in further expansion of the gap whereby demand surpasses supply. In this situation, on the one hand, production capacity will lie idle, the number of goods kept in stock increase, the turnover of circulating funds slow down, and growth rates drop. On the other, reduction in production will be accompanied by pay raises and a reduction in financial revenues by rigid financial expenditure increases. There will be a decline in the productive rate of wages, an increase in production costs, and a decrease in the profits and taxes delivered to the state. All this will likewise cause a drop in macroeconomic and microeconomic results.

It can thus be seen that to accomplish the wonders of high efficiency based on moderate speed or moderate efficiency based on moderate speed is a fantasy [sentence as published]. Therefore, we must combine speed and efficiency on the basis of achieving economic stability rather than consciously expediting economic development and reform by means of economic instability.

LIAOWANG ON PRC-FOREIGN BUSINESS COOPERATION

HK150726 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 10, 9 March 87 pp 16-17

[Article by Gao Qinglin (7559 1987 2651): "Act as Go-Betweens to Enhance Chinese-Foreign Cooperation in Running Small- and Medium-Sized Enterprises"]

[Text] "China's small- and medium-sized enterprises have a great market and potential for cooperation; however, these enterprises are like a vast ocean; this makes it very difficult to find the clue and target in making connections with them," personalities of the "group of 48," a British Chinese-trade organ said, not without regret. Since China opened its doors to the outside world, such a voice has grown louder and louder. To deal with this, the State Economic Commission founded the Center of Harmonizing Chinese-foreign Cooperation for Small and Medium-sized Enterprises in March 1986. Since then a window to meet such needs has been added for foreign entrepreneurs, those in small and medium businesses in particular, to invest in their counterparts in the mainland.

Acting as Go-Betweens [subhead]

China has 463,000 industrial enterprises at present, of which small and medium-sized enterprises account for 99.5 percent. Their gross output value accounts for around 73 percent of the gross output value of the whole of industry. Besides, with the takeoff of the rural economy, some 600,000 town and township industrial enterprises have gradually come into existence in all parts of the country. In 1985, town and township enterprises brought in \$4 billion of foreign exchange through export. Of course, many small- and medium-sized enterprises, enterprises in towns and townships in particular, urgently need to strengthen their technological forces, and to look for partnership in foreign countries, because of their weak foundation in technology, backward equipment, poor technical condition, insufficient sources of funds, and being out of touch with market information. We might as well say that this has precisely provided conditions for foreign entrepreneurs to seek cooperation here. European, Japanese, and U.S. entrepreneurs have cast their eyes on this market. This is because many small- and medium-sized enterprises in foreign countries share the same problems of the limits in capital and manpower resources, as well as blocked information channels. It is very difficult for them to send their personnel, or to set up organs in China to look for appropriate partnership and to select the right projects for cooperation. Although many European countries and the United States continuously organized delegations of entrepreneurs in small and medium businesses to visit China to collect information a few years back, the result was not very ideal, and they strongly hoped that a "go-between office" would be set up to serve the small- and medium-sized enterprises of both sides, and to provide convenience for the investment and technological cooperation of foreign entrepreneurs. When Premier Zhao Ziyang visited some European countries in 1985, many personalities from business circles expressed this wish. Thus, in March 1986, the Center of Harmonizing Chinese-Foreign Cooperation for Small- and Medium-sized Enterprises under the leadership of the State Economic Commission was founded.

When the "Center" was first set up, it organized the economic and technological cooperation between the small- and medium-sized enterprises of Baden-Wuerttemberg in the FRG and Jiangsu. Through the dialogues of the government organs as well as the entrepreneurs of the two countries over the past year, the FRG has invested in the Suzhou, Wuxi and Changzhou areas of China, and an agreement was reached on building concentrated industrial districts and training centers, with around 10 contracts initialled. At present, scores of enterprises of the two parties are in contact, and talks on some projects of joint venture and cooperation are under way. The scope of cooperation between Baden-Wuerttemberg and Jiangsu will continue to expand and is developing in the direction of all-round cooperation in diversified forms.

As an organ functioning as a go-between to enhance Chinese-foreign cooperation, the center does not intervene in the specific contacts between Chinese and foreign enterprises; therefore, the enterprises are not worried about the addition of a "mother-in-law" restricting their every movement. The "Center" takes up the task of rendering consultant services to foreign entrepreneurs on information and the investment environment. Based on the principle of starting from the interests of both parties, it briefs them on the conditions in a truth-seeking way. For example, the U.S. Westinghouse Electric Company attempted to select one of the factories in China to produce kilowatt-hour meters in cooperation, and the "Center" frankly told the foreign entrepreneur concerned that such meters were not marketable in China, while proposing cooperation in other products.

To date, the "Center" has established ties with over 100 corporations in more than 20 countries and regions and helped many enterprises find partners. It has organized projects in cooperation with France and Italy and participated in the talks with Japan and Canada on direct investment and the import of technologies. The effects of the "Center" are continuously expanding.

"A Team That Helps Removing Obstructions" [subhead]

The cooperation between Chinese and foreign enterprises is like ordinary family life, with some friction and contradictions inevitably taking place. Such phenomena are just normal. However, some foreign entrepreneurs have often complained, having very little idea about the changes under way in the division of labor between departments and localities and the subordinate relations of enterprises due to the reform that China's economic administrative structure is undergoing. Since the founding of the "Center," one of its important tasks entrusted by the State Economic Commission is to harmonize the relations between all provinces, autonomous regions, and municipalities as well as responsible departments, regarding the operation of foreign cooperation, and to play the role of a ministry of coordination in resolving difficulties of foreign entrepreneurs in their cooperation with China.

Werner Gerich, FRG expert and former director of the Wuhan Diesel Engine Manufacturing Factory reflected in August 1986 that the Henan Central China Internal-combustion Engine Parts Manufacturing Factory signed a contract with the FRG Yougensen [1429 2704 2773] Corporations on importing patented technology and equipment for the production of cylinder jackets in 1985, but later the effective contract was cancelled without any reasons given, and the FRG party asked for help in mediation. Regarding this matter, the "Center" found out about the situation from the original Ministry of Machine Building Industry and relevant departments in Henan. [paragraph continues]

The ministry and departments in question eventually unified their thinking through mediation of the "Center." It was decided that the contract which had been signed in haste without guarantee of foreign exchange, would be implemented step by step, namely, those clauses in the contract concerning the import of the key equipment of software with guaranteed foreign exchange would be first put into effect. With the equipment turned into productive forces, the import of other equipment to form a complete set would then be taken into consideration. This proposal was accepted by the foreign entrepreneur.

The "Center" has rendered services to "the three kinds of capital," solved contradictions in the course of exercising contracts, and done voluminous work. Its range of practical work has gone beyond the range of small- and medium-sized enterprises. With the organization of the State Economic Commission, the "Center" has participated in, and handled the problems arising in the production and operation of such corporations and joint-ventures as the Beijing jeeps, the Fujian Fu-ri Television sets, and the Shanghai (Fox Polo) [Fukesi Boluo 4395 0344 2448 3134 5012] instruments and meters. (Sullivan,) president of the U.S.-Chinese Trade Committee, called this "Center" of China's a "team to remove obstructions" in the cooperation between Chinese and foreign enterprises.

Bright Prospects for the Cooperation Between Chinese and Foreign Small- and Medium-sized Enterprises [subhead]

The Chinese Government has adopted all kinds of measures to inject vitality into small- and medium-sized enterprises and to support their technical renovation over the past 5 or 6 years. Between 1980 and 1985, China invested more than 140 billion yuan in the technical transformation in over 200,000 enterprises. During those 5 years, more than 110,000 items of technology were imported through various channels; the State Economic Commission alone organized the import of 3,900 items of advanced technology and equipment between 1983 and 1985. That equipment and technology was imported from more than 20 countries and regions and was used mostly in transforming small- and medium-sized enterprises. From now on, a basic task for the "Center" is to develop foreign cooperation, and to promote the technical progress and managerial modernization of enterprises. China will have to exert great efforts in importing advanced technologies. Small- and medium-sized enterprises will be a big market for foreign investment and technologies for a considerably long period.

Small- and medium-sized enterprises take a rather important place in the development of the entire industry of China. They are rather complete in various categories, with a great variety of products. However, they are small in scope, and involve little investment; therefore, it is easy for them to change their direction. This is very favorable to the development of new technology and new products. Many small enterprises can be put into production in the same year that they are built, and their entire investment will be entirely recovered within a year or two. A considerable portion of small- and medium-sized enterprises have already acquired competitiveness in export through technical transformation. At the same time, they are flexible in production and have a great adaptability to change. They can promptly make themselves suit market demand and dare to take risks in adopting new technology. All these are great potentials for the cooperation and operation of foreign entrepreneurs in China.

RENMIN RIBAO CARRIES HONGQI NO 6 TABLE OF CONTENTS

HK170231 Beijing RENMIN RIBAO in Chinese 15 Mar 87 p 8

["Table of Contents for Hongqi No 6, 1987"]

[Text] "Forum": "It Is Still Necessary To Promote Plain Living and Hard Struggle"

Commentator's Article: "Continue To Implement the 'Double Hundred' Policy"

Article by Yang Fengchun and Li Maoguan: "Uphold the Socialist Legal Concept of Democracy -- An Interview With Noted Jurist Zhang Youyu"

Article by Jiang Nanxiang: "Higher Education Must Seriously Resolve Two Fundamental Problems"

Article by Jing Ping: "Fully Understand the Long-Term Character and Difficulty of the Reforms"

Article by Chen Daisun and Yang Deming: "Several Questions Concerning the Evaluation of Contemporary Western Economics"

Report by Li Hongru: "On an Investigation of Rural Household Enterprises in Suining City"

Article by Zhao Biru: "Lenin's Theory of Reflection and Piaget's Epistemology (Continued)"

Article by Zhang Haipeng: "Also Talking About Foreign Aggression and Modern China's 'Opening and Closing'"

Article by Su Wenxun: "Seek Survival Through Reform, Seek Development Through Art -- a Chronicle of the Reform by the Hebei Province's Dachang Hui Nationality Autonomous County Ping Opera Troupe"

Article by HONGQI Theoretical Education Editorial Office: "Study Outline of Expositions From Central Documents on Adhering to the Four Cardinal Principles and Opposing Bourgeois Liberalization:

2. Take a Clear-Cut Stand in Opposing Bourgeois Liberalization [Second Installment]

Article by Yuan Wenlong: "Criticism Translates Into Persuasion"

Article by Gao Gejin: "Why Was the 'Money God' Driven Out? A Review of the Film 'Unfaithful Village'"

Article by Yang Lianshong: "'Mini-Encyclopedia for Contemporary Cadres' Is a Good Vehicle"

Artistic Photography: "Shanghai's Huangpu Riverbank (Photograph) by Tang Zaiqing, and Red Pines Soaring Into the Sky (Chinese Painting) by Wei Zixi.

FUJIAN'S CHEN GUANGYI INSPECTS POOR TOWNSHIPS

OW131429 Fuzhou FUJIAN RIBAO in Chinese 1 Mar 87 p 1

[Excerpts] Comrade Chen Guangyi, secretary of the provincial party committee, and Comrade Yuan Qitong, member of the Standing Committee of the provincial party committee and secretary of the Fuzhou City party committee, arrived in Lianjiang's Liaoyan Township and Yongtai's Wutong Township on 20 and 23 February to call on poor township cadres and residents, and to explain the party Central Committee's documents on deepening rural reform, discussing the plans to develop the commodity economy after they have freed themselves from poverty. [passage omitted] Chen Guangyi said: The measures we have adopted for rural reform in our province are aimed at developing productive forces. Currently, in developing the commodity economy in the countryside, priority must be given to grain production. We must grasp intensive farming and carry out measures to increase production in order to raise the per capita income of peasants. All must understand that it is possible to become prosperous through farming. At the same time, the masses should be encouraged to engage in other types of production. Moreover, it is necessary to regulate development of the economy by applying such economic means as running rural industrial enterprises to support agriculture production. This is to ensure a complete circle of development in farming, forestry, and fisheries, and to make them promote one another. [passage omitted]

In Liaoyan Township, Comrade Chen Guangyi said: As our economic foundation is still weak, we must advocate self-reliance and working hard to build our country and home through thrift and diligence. Even after we have become prosperous, we should also stress conservation, and should primarily use our funds for production. He also said: Although the campaign to oppose bourgeois liberalization will not be launched in rural areas, it is still necessary to overcome and resist bad, passive, and backward tendencies, to advance the building of spiritual civilizations there. [passage omitted]

Comrade Chen Guangyi also gave special advice to township's cadres by urging them not to be satisfied with a per capita income of over 200 yuan for the township, and to continue to do a good job in helping impoverished families and villages, especially families lacking manpower and suffering from effects of illness or natural disasters, to become prosperous.

Speaks on Eliminating Poverty

OW141321 Fuzhou Fujian Provincial Service in Mandarin 1100 GMT 13 Mar 87

[Text] At a meeting to welcome, send off, and commend the help-the-poor work teams of the provincial organs this morning, Comrade Chen Guangyi said: Fujian has made marked achievements in helping the poor areas in recent years -- 30 percent of the impoverished households of the 11 counties within Fujian's area in this connection have basically eliminated poverty. Growth rates of industrial output value, revenue income, and peasant's per capita net income in these counties are all higher than the provincial average. The county and township party committees and governments of those poor counties that were not included in provincial help-the-poor programs have also attached great importance to and conscientiously launched various programs on helping the poor; they score gratifying results as well. The whole party has regarded helping people in poor areas shake off poverty as an important historic mission. These phenomena are all very encouraging and gratifying.

Comrade Chen Guangyi said: The work of helping the poor this year will be crucial, for we not only must consolidate the achievements already made in shaking off poverty but must also expand the work scope in this aspect.

Therefore, the emphasis of this year's work should be on the following matters: First, a considerable amount of effort should be made to help the extremely impoverished village households, which still have not enough food to eat and clothes to keep warm, become prosperous. To achieve this, party committees at all levels and work teams must go down to these areas and strive to bring about gratifying changes in them by all means.

Second, it is necessary to move the work of helping the poor to a higher level of providing services to and doing practical work for the people. It is imperative for the poor areas to carry out the guidelines of the central documents on rural reforms, to enhance fund and goods circulation and communication, to improve and strengthen grass-roots supply and marketing cooperatives and the credit unions, and to set up sound service organizations for promoting production, circulation, and science and technology, in order to become rich. And only in these ways can we help them shake off poverty from the root and assist them to gradually move toward prosperity.

Third, it is important to invigorate the poor areas from within. Namely, we should focus our work on enabling them to become self-reliant, helping them raise production and injecting vitality into these poor areas; we should make great efforts to exploit local resources and tap the inner potential of the poor areas and to find for them channels and ways to achieve prosperity.

We must learn from the areas, particularly those with similar conditions as ours, that have made gratifying changes. A good model will show the way to prosperity. Therefore, party committees at all levels and work teams should review and promote those good models that are real to people and let them serve the purpose.

CHEN GUANGYI ADDRESSES FUJIAN ECONOMIC MEETING

OW151151 Fuzhou FUJIAN RIBAO in Chinese 3 Mar 87 p 1

[Excerpts] Addressing a provincial economic work meeting on 2 March, Chen Guangyi, secretary of the provincial party committee, said: In economic work, we should scale down overexpanded consumerism, that is, we should curtail the overexpanded scale of investment in fixed assets and cut excessive expenditures. However, scaling down overexpanded consumerism does not mean reducing our reform efforts or weakening or changing the reform trend. The campaign to increase production and practice economy and the work of carrying out reform promote each other and are inseparable from each other. We should not grasp one and ignore the other, but should grasp reform as a fundamental measure to promote the campaign to increase production, practice economy, boost revenues, and cut expenditures.

Comrade Chen Guangyi said: Deepening the reform of enterprises to increase their vitality is the central task in our province's urban economic structural reform this year. The guiding thought in deepening the reform of enterprises is to shift the emphasis from asking the state to merely formulate policies for reducing the amount of profits and taxes to be contributed to the state, to formulating those for improving operations within enterprises, or more specifically, for improving their operational mechanism, increasing their vitality, and tapping their latent potentials. [passage omitted]

Referring to the question of protecting enterprises, Comrade Chen Guangyi pointed out: Enterprises have generally complained that they have met with resistance in conducting reforms. This means that there are still difficulties in invigorating them. In view of this, we should now make clear and reiterate the following: The State Council and the provincial authorities have established a series of regulations on expanding the decisionmaking powers of enterprises.

Where these regulations have not been implemented, firm efforts should be made to put them into practice. Any regulations set by prefectures and cities that contradict the State Council or provincial regulations should be corrected immediately. The unhealthy trend of indiscriminately imposing levies on enterprises should be stopped. In serious cases, the leader concerned should be investigated in order to determine his responsibility. No departments or units should shift their burdens onto enterprises. The preferential policy the state has established in favor of enterprises should be thoroughly implemented to benefit the enterprises. Legal means should be applied in managing the economy and protecting the legitimate rights and interests of the state, enterprises, and their staff and workers (including enterprise operators). The fruitful results achieved by enterprises and peasants in jointly operating raw material production bases should also be protected.

LIANG BUTING AT SHANDONG ECONOMIC MEETING

SK110343 Jinan Shandong Provincial Service in Mandarin 2300 GMT 10 Mar 87

[Text] From 6 to 10 March, the provincial party committee and government held an on-the-spot office meeting in Heze on developing economy in the western and northern areas of Shandong. This meeting was another meeting of great significance in making the people rich and Shandong Province prosperous after the convocation of the on-the-spot office meeting on developing mountainous areas, islands, and lake areas.

Liang Buting, secretary of the provincial party committee, and Li Changan, deputy secretary of the provincial party committee and governor, presided over the meeting and gave speeches respectively.

Leading provincial comrades, including Miao Fenglin, Wang Jinshan, and Liu Yong, also attended the meeting.

As soon as the meeting began, responsible persons of five cities and prefectures in the western and northern areas of Shandong and their subordinate cities, counties, townships, and towns introduced their situations and experiences in economic development and construction. Comrades of the relevant provincial-level departments and another nine cities and prefectures held talks with comrades of the five cities and prefectures in the western and northern areas of Shandong.

In his speech, Liang Buting fully affirmed the method of giving diversified guidance and working on the spot and maintained that it is a scientific method of seeking truth from facts and running the economy in line with local conditions and the objective economic law, which should be upheld continuously.

Liang Buting fully affirmed the coordinated relations between the province's eastern and western areas which were established during their talks at the meeting. He maintained that these are socialist relations of a new type among the areas which are marked by mutual support and promotion. This will be a turning point for economic development.

The meeting participants held that since the 3d Plenary Session of the 11th CPC Central Committee, marked changes have taken place in the western and northern areas of Shandong and the livelihood of the people has greatly improved. These changes have contributed much to the economic development of the whole province.

The meeting held that economic development in the western and northern areas of Shandong should be focused on establishing a multilayered and integrated agriculture-industry-commerce operational structure on the basis of displaying the superiority of the three major natural resources of agriculture, forestry, and animal husbandry. At present, we should first strengthen agriculture, persist in carrying out farmland capital construction, increase agricultural input, and accumulate momentum for agriculture. We should strengthen the building of infrastructures such as power, communications, transport, and post and telecommunications, and pay attention to developing small thermal power plants. It is necessary to extensively carry out lateral cooperation; encourage mutual support between Jinan and Dezhou, Qingdao and Heze, Yantai and Liaocheng, Weifang and Dongying, Zibo and Huimin; render good services to oilfields; do a good job in helping the poor; and help some people solve practical problems in a down-to-earth manner.

The meeting stressed in conclusion: All provincial-level departments should consider the development of the western and northern areas of Shandong as one of their important tasks, give them greater support, and ensure a rapid economic development in these areas.

ZHEJIANG SECRETARY ADDRESSES BANK DIRECTORS

OW120539 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 10 Mar 87

[Excerpts] Wang Fang, secretary of the Zhejiang Provincial CPC Committee, attended today's meeting of directors of people's banks throughout the province. He said: People's banks must carry out financial and loan policies flexibly. They must combat the trend of extending exorbitant loans while providing enough funds for economic development. On the one hand they must enthusiastically tap all available financial resources, vigorously raise funds, and encourage people to increase their savings; on the other hand, they must further reduce expenditures and make use of funds flexibly so as to bring about sustained, stable, and coordinated development of Zhejiang's economy.

In his speech, Comrade Wang Fang fully reaffirmed the role of the province's financial departments in supporting production and developing the economy. He pointed out: Efforts must be made to uphold the four cardinal principles and adhere to the principle of carrying out reforms, opening to the outside world, and invigorating the domestic economy; financial work must proceed along the correct path. In upholding the four cardinal principles, we must, first of all, uphold the socialist system and pay full attention to the following three requirements:

Uphold the socialist principle of public ownership with all our reform measures conforming to this principle; serve the socialist economy; and correct unhealthy trends and earnestly handle major and important cases.

Comrade Wang Fang said: It is necessary to strengthen professional ethics and build a mighty contingent of financial workers who have lofty ideals, observe discipline, know their jobs well, dare to carry out reforms, and remain honest at all times in performing their official duties.

Shen Zulun, standing committee member of the provincial CPC Committee and vice governor of Zhejiang, attended today's meeting.

GUANGDONG'S LIN RUO STRESSES UNITED FRONT WORK

HK160517 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 16 Mar 87

[Text] Guangdong provincial party committee Secretary Lin Ruo said at a provincial united front work conference this morning that the province should strengthen leadership, ensure that the whole party grasps united front work, and create a new situation in this work.

Comrade Lin Ruo said: The united front remains an important magic weapon in the new period following the shift of the party's work focus. In united front work in Guangdong, we should take advantage of our favorable conditions in geographical location and the existence of large numbers of targets of united front work. While doing a good job of this work in the interior, we should also vigorously develop links with Overseas Chinese, and combine internal and external work so as to carry out united front work extensively and deeply.

Comrade Lin Ruo stressed: United front work involves a broad area, and has a strong sense of policy. Targets of united front work are to be found on all fronts and in all departments and units. The work can hardly be done well if we only depend on the united front departments to grasp it. The whole party must tackle it together.

The key to having the whole party grasping united front work lies in the party committees at all levels strengthening leadership over this work. The party committees at all levels must put united front work on their agenda. The party committees should assign a deputy secretary to look after this work. It is necessary to devote a great effort to doing a good job in this work. It is necessary to seriously implement the united front policies, strengthen the building of the united front work contingent, and mobilize the departments concerned to coordinate their efforts in doing a good job of united front work.

The meeting is being attended by nearly 500 persons including prefectural, city, and county party committee secretaries and united front department directors, responsible comrades of party groups of provincial units concerned, and of party committees of tertiary education institutes.

GUANGDONG COUNTY CRACKS CASE OF SECRET SOCIETY

HK121545 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 11 Mar 87

[Report by Maoming Television Station Reporter -- date/title not given]

[Text] The Xinyi County public security organ recently cracked a case concerning the restoration of a reactionary secret society. (Tong Shan Jing Tang), a reactionary secret society, carried out activities before liberation in the (Shigou mountain range), which is at the junction of Xinyi and Gaozhou Counties. This organization was banned by the people's government in the early post-liberation period.

Since last year, (Lu Xianhui), an old follower of the (Tong Shan Jing Tang), and a number of people established ties everywhere, recruited new members of the organization, extorted and swindled money from the masses, and carried out restorationist activities.

After strictly conducting scouting work against the (Tong Shan Jing Tang), the Xinyi County public security organ recently banned according to the law the (Tong Shan Jing Tang), a reactionary secret society, took in (Lu Xianhui) and six other core members of the organization, and examined their personal histories.

GUANGXI PARTY COMMITTEE HOLDS PLENARY SESSION

HK160137 Nanning Guangxi Regional Service in Mandarin 1030 GMT 15 Mar 87

[Text] The Fourth Enlarged Plenary Session of the Fifth Guangxi Regional CPC Committee was held in Nanning on 14 and 15 March. The session was attended by 41 members and 9 alternate members of the regional party committee, 27 members of the regional Advisory Commission, and 31 members of the regional Discipline Inspection Commission, together with responsible party-member comrades of the regional People's Congress Standing Committee, people's government, and CPPCC, secretaries of prefectural and city party committees, principal responsible comrades of regional organs, secretaries of party committees of tertiary education institutes, and CPC Central Committee members and alternate members and Central Advisory Commission members who are in Guangxi, totalling 205 persons.

Regional party committee Secretary Cheng Huguang and Deputy Secretaries Wei Chunshu, Jin Baosheng, Tao Aiyang, and Li Zhenqian presided. Chen Huguang and Wei Chunshu made speeches.

In an atmosphere of democracy, unity and liveliness, after serious debate and discussion and full consultation, the session decided on a preparatory list of regional candidates to attend the 13th National Party Congress, and decided to convene a regional conference of party delegates before June to make the election.

The session called on the party organizations at all levels and the whole body of party members to seriously implement the two major tasks proposed by the CPC Central Committee, uphold the four cardinal principles, oppose bourgeois liberalization, step up the building of socialist spiritual civilization in the region, and consolidate and develop the political situation of stability and unity. It is necessary to increase production and practice economy, increase revenue and cut spending, deepen the reforms, improve economic results, and build the national economy on the basis of long-term stable development. It is necessary to unite and lead the people of all nationalities to work hard and score outstanding achievements in all work to greet the 13th National Party Congress.

HUBEI PROMOTES RURAL PARTY RECTIFICATION

HK130724 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 11 Mar 87

[Excerpts] Jiayu County, which is in the later stage of village-level party rectification, has used the spring season to deeply conduct positive education for the vast numbers of party members in upholding the four cardinal principles, and to deepen their understanding of the distinction between right and wrong, thus promoting the consolidation of achievements in rural reform. Although the village-level party rectification in Jiayu County has achieved tangible results, there are still some deficiencies. In particular, education in upholding the four cardinal principles has not been highlighted during the party rectification and this education has not been organized and conducted in a systematic way.

Although the vast numbers of party members have taken actions to support the four cardinal principles, which are of fundamental importance to the building of our party and country, they have failed to achieve deep understanding of the principles and still have some confused ideas about specific issues. For this reason, the county party committee has decided that prior to the busy spring plowing season, every township must assemble and organize its party members for training and for receiving in-depth education in upholding the four cardinal principles. [passage omitted]

Through the educational activities, the vast numbers of party members have achieved deeper understanding of the importance of upholding the four cardinal principles. They know that upholding the four cardinal principles and upholding the policy on the reform, opening up, and reinvigoration are interdependent, and that neither should be overemphasized at the expense of the other. [passage omitted] The positive education in upholding the four cardinal principles has cleared away ideological obstacles to the deepening of rural reform and promoted the development of all types of rural work. [passage omitted]

The general office for party rectification under the provincial party committee has made the following comments on the above news report: The task of conducting education in upholding the four cardinal principles, the task of using socialist ideology to occupy the rural positions, the task of guiding the peasants to gradually shake off the yoke of the ideology of small-scale peasant economy, and the task of getting rid of the feudal and decadent ideological influence of the bourgeoisie will remain our arduous tasks for a long time to come. The Jiayu County party committee has seized the opportune time in the later stage of the village-level party rectification to conduct education for all its party members in upholding the four cardinal principles and to promptly implement the correct method of seeking unity of thinking among party members, thus achieving tangible results. Party committees at all levels must fully understand the necessity and urgency of conducting education for party members in upholding the four cardinal principles, seize the time to organize and assemble party members for training, further deepen education in party spirit, consolidate and develop achievements in our party rectification, and promote the in-depth development of rural reform. Through education, we must increase our party members' understanding of all the party's guiding principles and policies on rural areas adopted since the 3d Plenary Session of the 11th CPC Central Committee, strengthen our party members' consciousness of upholding and implementing such guiding principles and policies, and further strengthen our party members' ability to resist all kinds of unhealthy things, evil trends and practices, and violations of the law and discipline.

HUBEI'S GUAN GUANGFU DISCUSSES PARTY STYLE

HK160852 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 15 Mar 87

[Excerpts] A provincial meeting on exchanging experiences in building party style convened by the provincial party committee concluded today in Wuchang. The provincial party committee decided to commend 72 advanced collectives and 32 advanced individuals who have achieved remarkable successes in building party style. Leading comrades from the provincial party committee, provincial Advisory Commission, and provincial Discipline Inspection Commission awarded silk banners embroidered with words of praise and certificates of merit to the advanced collectives and individuals. This meeting lasted 3 days.

Guan Guangfu and Zhao Fulin delivered speeches at the meeting. Qian Yunlu, Li Haishong, Liu Qizhi, and Ding Fengying presided over the meeting. [passage omitted]

Comrade Guan Guangfu said: There are still quite a few problems in our work of rectifying party style. While affirming our achievements, we must see the existing problems, and always keep a clear head, and must not slacken for a single day our work of building party style.

Referring to the strengthening of democratic centralism, Comrade Guan Guangfu said: At present, we must restudy the principle of democratic centralism and truly enhance our ideological understanding of the principle. We must persist in implementing the system of integrating collective leadership with individual responsibility. In accordance with stipulations, we must do well in holding meetings on democratic life, encourage heart-to-heart talks, and conduct criticism and self-criticism.

Referring to the strengthening of education in party spirit, Comrade Guan Guangfu said: This issue should be treated as an important item on the agenda of party committees and discipline inspection commissions at all levels and should be specially studied several times a year. He stressed: Regarding the contents of this issue, we now must stress the strengthening of education in ideals, in the aim of our party, and in the fine tradition and work styles of our party. Regarding methods, we must strengthen planning and gradually institutionalize and systematize education in party spirit on a permanent basis.

Referring to the strengthening of inner-party supervision, Comrade Guan Guangfu said: We must act in accordance with the spirit of the directives issued by the party Central Committee and Central Discipline Inspection Commission, and establish or perfect various systems for promoting supervision within and outside the party, such as the system of higher party committees supervising subordinate party committees, the system of subordinate party committees supervising higher party committees, the system of party committees at the same level supervising one another, the system of discipline inspection commissions supervising party committees within the limits permitted by the party Constitution, the system of ordinary party members supervising leading cadres, and the system of democratic parties, non-party personages, and the masses supervising party organizations and leading cadres.

In conclusion, Comrade Guan Guangfu noted: Party committees at all levels must uphold the principle of party organs bearing responsibility for handling party affairs, always treat the building of party style as an important item on their agenda, further strengthen leadership over the work of discipline inspection, and give full play to the role of a main force played by discipline inspection organizations during the rectification of party style. Party discipline inspection organizations and contingents at all levels must further strengthen the building of their own forces and make great efforts to improve their ideological and theoretical levels, their understanding of policies, and their vocational levels.

ZHAO BAOJIANG APPOINTED NEW MAJOR OF WUHAN

OW150145 Beijing XINHUA Domestic Service in Chinese 1431 GMT 14 Mar 87

[By reporter Sun Yuchang]

[Text] Wuhan, 11 Mar (XINHUA) — The Fifth Session of the Seventh Wuhan City People's Congress which concluded today appointed Zhao Baojiang [6392 1405 3068] as major of Wuhan.

Zhao Baojiang is 46 years old. Born in Shandong, he graduated from Qinghua University in 1966. He was director and acting secretary of the party committee of the Architecture Design Institute in Wuhan City; director and secretary of the party group of the Bureau of Planning in Wuhan City; vice chairman of the city Construction Commission; Standing Committee member and secretary general of the city's CPC Committee; permanent vice mayor and acting mayor of the city government; deputy secretary of the city CPC Committee, and others.

HUNAN ADVISORY COMMISSION MEETING VIEWS TASKS

HK170501 Changsha Hunan Provincial Service in Mandarin 1100 GMT 16 Mar 87

[Text] On 13 March, the Advisory Commission under the provincial party committee held a plenary meeting in Changsha to discuss and study ways to further improve the commission's work. Wang Shoudao, Standing Committee member of the Central Advisory Commission, who was making an inspection tour of our province, attended the meeting to call on participating comrades and also had cordial talks with them.

Wan Da, chairman of the provincial Advisory Commission, delivered a speech on the conditions of study conducted by the commission during the previous period and on ways to further improve the commission's work. He said: Since the publication of the communique of the enlarged meeting of the Political Bureau of the CPC Central Committee, members of the provincial Advisory Commission have conscientiously studied a series of important documents issued by the Central Committee and the relevant works by Comrades Mao Zedong, Liu Shaoqi, and Deng Xiaoping, and conducted in-depth discussions on upholding the four cardinal principles and opposing bourgeois liberalization, thus being gradually clear about the significance of this struggle, achieving a greater unity of thinking, and rectifying the political orientation.

To do a still better job of giving full play to the Advisory Commission members' remaining enthusiasm [yu re 0151 3583] and potentials and of enabling the commission to do more work and to play a better role, and on the basis of heeding the opinions of all commission members, the Advisory Commission Standing Committee has decided to conduct division of labor and to divide the commission members into special groups for making investigations and studies in accordance with their former careers and experiences, so that all the commission members can give full play to their specialties, can investigate and study some issues on the basis of drawing on collective wisdom and absorbing all useful ideas, and can offer better advices to the provincial party committee and to comrades working in the frontline.

SICHUAN SECRETARY SPEAKS AT RURAL WORK CONFERENCE

HK120351 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 10 Mar 87

[Text] A rural work conference held by the provincial party committee opened in Chengdu on 10 March.

Leading comrades of the provincial party committee, the provincial government, and the provincial Agriculture Economic Commission; responsible comrades in charge of rural work from all prefectures, cities, and autonomous prefectures; and responsible comrades of the relevant provincial departments jointly analyzed the rural situation, studied measures, and discussed suggestions on implementing Central Document No 5.

Since last winter, weather has been abnormal in the province, with continuous high temperature and little rainfall. The protracted drought in winter and spring has posed a serious threat to this year's agricultural production.

At the conference, Comrade Yang Rudai, a secretary of the provincial party committee, emphatically pointed out that people throughout the province must establish the idea of fighting natural disasters to reap a bumper harvest. He said: Agriculture is the foundation of the national economy and a prime issue for the whole party. If there is something wrong with agriculture, then all trades will suffer. Therefore, leading organs and departments at all levels must pay attention to this foundation. They must establish the idea of serving agriculture, take immediate action, make concerted efforts, and go to the front line of doing spring farm work and fighting the natural disaster.

Comrade Yang Rudai pointed out: Mobilizing people throughout the province to properly carry out spring farm work and resisting natural disasters is an extremely important task in the province's economic work this year. He said: We must firmly establish the idea of fighting natural disasters to reap a bumper harvest, must strengthen leadership, and must concentrate our efforts to grasp spring farm work. All trades must support agriculture; provide good services; do a good job in producing, transport, and supplying the means of agricultural production; treat properly developing agriculture and supporting agriculture as their own task; and make new contributions to this year's bumper agricultural harvest.

Today the participants of the conference will continue to analyze the current rural situation and study and decide on measures to ensure continuous agricultural growth in the province.

Meeting Sets Tasks, Goals

HK130221 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 12 Mar 87

[Excerpts] The 3-day 1987 provincial rural work conference convened by the provincial party committee, concluded on 12 March. The meeting focused on discussing views on implementing Central Document No 5, analyzed the current rural situation, and studied countermeasures.

The meeting pointed out: This year's Central Document No 5 is another important document for guiding rural work. The party committees and government at all levels must organize the cadres and masses to conduct extensive propaganda and study activities.

They should also make proper arrangements for this year's rural work, centered on implementing Central Document No 5, stimulate the development of reform, and strive for increased output and income in agriculture.

The meeting held that Sichuan achieved relatively great success in rural reforms last year. In agricultural production, the province overcame serious natural disasters and various difficulties. Grain output rose by 910 million kg, while total agricultural output value rose by 10.04 percent. Total output value of the township and town enterprises rose by 36 percent. Average net peasant income rose by 23 yuan. The entire rural economy of the province recorded sustained and steady growth, and the situation is good.

However, the second stage of rural reforms involve the economic interests of all sectors. The conditions are complex and the difficulties great. The reserve strength of agricultural production is inadequate. In addition, the province has encountered serious winter and spring drought and a shortage of agricultural production materials. We are facing many difficulties. Hence, we must keep cool heads, refrain from arrogance and impetuosity, and mobilize the whole province to work hard and redouble efforts to do a good job in all work.

The meeting stressed that it is essential to grasp the deepening of reforms on the one hand and the promotion of material input and technical measures with the other in rural work this year. We must regard striving for all-round, sustained, and steady growth in grain output and the entire rural economy and ensuring increased income for the peasants as our unshakeable target. This year we must endeavor to achieve the targets of increasing grain output by 1.5 billion kg, net peasant income by 30 yuan, and total output value of the township and town enterprises by 3 billion yuan, and the switch of 1 million rural laborers to other jobs.

At the present, the leaders at all levels must promptly switch their efforts to fighting drought and promoting spring farming. They must personally lead work teams to the rural areas to help with this work and in the organizational building of the grass-roots. All sectors and trades must support agriculture. [passage omitted]

At the conclusion of the meeting, provincial party committee Secretary Yang Rudai organized work teams to go to Guangyuan, Mianyang, Suining, Nanchong, Daxian, Chongqing, and elsewhere to help with spring farming and the struggle against natural disasters. [passage omitted] Comrade Yang Rudai will lead a work team to the frontline of antidrought work and spring farming to work on the spot. [passage omitted]

SHANXI LEADERS MEET PEOPLE'S CONGRESS DEPUTIES

HK150243 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 14 Mar 87

[Excerpts] On 14 March, the provincial party committee and government invited some deputies attending the fifth session of the sixth provincial People's Congress to a forum to seek their views on current work. Provincial party committee Secretary Li Ligong, Deputy Secretary and Governor Wang Senhao, provincial People's Congress Standing Committee Chairman Ruan Bosheng, and other leading comrades seriously listened to the views of the deputies from various fronts.

The deputies unanimously held that the report on the work of the provincial government accords with the actual situation in the province. The two great tasks for this year and the demands set out in this report can only be fulfilled if we step up political and ideological work, uphold the four cardinal principles, and mobilize the people of the province to work hard. [passage omitted]

Summing up at the conclusion of the meeting, Comrade Li Ligong expressed the hope that on returning to their units, the deputies would publicize and implement well the various tasks set by the government work report and continue to get a good grasp of industrial and agricultural production. In particular, they should mobilize all sectors and trades to get a good grasp of grain production, which is the foundation. All sectors and trades should display the spirit of arduous struggle, diligence, and thrift, and the fine tradition of seeking truth from facts, and resolutely oppose the bad work style of practicing fraud.

Session Concludes 15 Mar

HK160155 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 15 Mar 87

[Summary from poor reception] The fifth session of the sixth provincial People's Congress concluded in Taiyuan on 15 March. Ruan Bosheng presided at the closing session. Also present were responsible comrades of the party, government, and Army in the province including Li Ligong, Wang Senhao, Wang Jiangong, Bai Qingcai, Lu Gongxun, Zhang Weiqing, Jia Jun, Hu Xiaoqin, Yan Wuhong, Guo Yuhuai, and Li Xiuren.

The session passed a resolution on implementing the NPC Standing Committee decision on stepping up legal education and preserving stability and unity, and adopted resolutions on the various work reports submitted at the session.

TIANJIN'S LI RUIHUA PROMOTES PRACTICING ECONOMY

SK131316 Tianjin City Service in Mandarin 0030 GMT 13 Mar 87

[Excerpts] At an on-the-spot office meeting of the second wristwatch plant on 12 March, Li Ruihuan, mayor of the municipality, summed up experiences in launching the campaign of increasing production and practicing economy gained by the bicycle, [words indistinct], and wristwatch trades, and the metallurgical bureau, and called on enterprise to correctly treat problems of pressure, to deepen the reform work, and to turn pressure into an impetus.

He put forward: Leading organs should improve their work style, and go deep into the grass-roots and carry out a method of linking general calls with individual instructions to help the grass-roots solve problems in order to propel forward the campaign of increasing production and practicing economy.

After hearing reports given by the first light industrial bureau, a wristwatch plant, and the second wristwatch plant, Li Ruihuan pointed out: The first light industrial bureau's practice of conducting the campaign of increasing production and practicing economy and its attitude toward the campaign conform to the spirit of the central authorities. The entire bureau has initiatively and bravely shouldered heavy loads, made big strides for reform, and deeply tapped its potential. The municipal party committee and government have also made a specific plan for conducting the campaign. [passage omitted]

Li Ruihuan emphatically spoke on the issue of how to correctly treat problems of pressure. He said: The so-called pressure is a contradiction between our capability of understanding and transforming the world and the objective requirements in this regard. Applying pressure on the enterprises is aimed at enhancing their subjective capability to make them meet the objective demands. There are two kinds of pressure. One is to depart from objective possibilities to blindly set high targets. This is undesirable. The other is to set a target which can be attained through efforts. This type of pressure is what we need in order to suit the demands of development and progress. All people who persist in the thinking of Marxist theory should welcome such an accurate kind of pressure and should set higher targets for their own work. We must seek pressure by ourselves in order to make progress and development. [passage omitted]

Li Ruihuan pointed out: We must organically link the campaign of increasing production and practicing economy with the deepening of the enterprises' reform work. The purpose of deepening the enterprises' reform is to reasonably handle the relationship of distributing interests among the state, the collectives, and individuals. We should study and work out a set of methods to readjust the enterprises' inherent mechanisms and to energize and give impetus to enterprises. We should also apply greater pressure on them so as to ensure that the enterprises will take initiative to find ways to make more contributions to the state while developing themselves, and that staff members and workers will take initiative to think out ways to make more contributions to the enterprises and the state while showing concern for their own interests at the same time. [passage omitted]

Li Ruihuan stressed: Leading organs at all levels should initiatively grasp the work of grass-roots units to help them solve specific problems in a timely manner, should understand the actual situation of increasing production and practicing economy, should study ways to propel the campaign forward, and should accumulate experiences in the future system of reform, including the reform of the political system. That leading organs do actual deeds for the grass-roots and the masses reflects the essence of socialist democracy. The more actual deeds leading organs do for the people, the less bureaucratic work style there should be; the closer the relationship between master and public servants is, the more ideally the essence of socialist democracy will be reflected. Leaders at all levels should study ways to go deep into the grass-roots and to fundamentally improve the cadres' work style through conducting the campaign.

Attending the on-the-spot office meeting were some municipal leaders, including Yang Huijie, Zhang Lichang, Li Changxing, and Zheng Wantong; and responsible comrades of relevant departments, commissions, and bureaus.

HEILONGJIANG PEOPLE'S CONGRESS SESSION ENDS

SK170717 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 16 Mar 87

[Text] After successfully fulfilling the agenda's items, the Fifth Plenary Session of the Sixth Heilongjiang Provincial People's Congress concluded in Harbin City on 16 March. Li Jianbai, executive chairman of the session, presided over the closing ceremony of the session. Other executive chairmen at the closing ceremony were Chen Yuanzhi, Wei Zhimin, Wang Jinling, Liu Huixian, Wang Pili, Wang Zhaozhi, Wang Jun, Zhao Zhenhua, Zhang Ruoxian, (Wang Zhihe), (Cui Guofang), (Yang Chengjun), (Chu Junsheng), (Zhao Xingfu), and Li Jingming.

Seated on the rostrum were Sun Weiben, Chen Lei, Hou Jie, Wang Zhao, Zhou Wenhua, Wang Luming, Zhang Xiangling, Wang Lianzheng, He Shoulun, Liu Zhongli, Zhang Yan, and Jia Chengwen; and retired veteran cadres of the provincial level organs, including Zhao Dezun, Wang Yilun, Chen Jianfei, Ni Wei, Zhang Ruilin, and Wang Minggui.

At the session the participating members approved the resolutions on the provincial people's government work report, on the implementation of the province's 1986 budget and the province's 1987 budget, on studying and implementing the decision made by the NPC Standing Committee with regard to strengthening legal education and maintaining stability and unity, on the work report of the provincial Higher People's Court, on the work report of the provincial People's Procuratorate, and the resolution on accepting the resignation submitted by He Shoulun from his current post of vice governor.

At the session the participants elected by a show of hands the vice chairmen and secretary general of the sixth provincial People's Congress Standing Committee.

At the closing ceremony Li Jianbai delivered a closing speech in which he stated: The session has successfully fulfilled the items on its agenda thanks to the efforts of every deputy. He pointed out: The tasks we face are heavy and arduous. The people throughout the province should carry forward the spirit of waging arduous struggle and building up the country through thrift and hard work, extensively launch the movement of increasing production and practicing economy, increase economic results in an overall way, and should be determined to overcome the difficulties and to vigorously fulfill the 1987 economic and social development plans and the plans of financial budgets. He also emphatically pointed out: We should earnestly implement the resolution adopted at the plenary session with regard to studying and implementing the decision made by the NPC Standing Committee on strengthening legal education and maintaining stability and unity.

In concluding his speech, Li Jianbai urged all participants to make persistent efforts to achieve success in the local congress affairs from start to finish; and after the session, to actively publicize the session's spirit, to take the lead in implementing the resolutions adopted at the session, and to join the people of various nationalities throughout the province to strive to fulfill the tasks set forth by the session.

The plenary session concluded amid the music of the national anthem.

On 16 March the Heilongjiang Provincial People's Congress issued an announcement on the election of He Shoulun as vice chairman of the provincial People's Congress Standing Committee, at the fifth plenary session of the sixth provincial People's Congress.

HEILONGJIANG'S SUN WEIBEN'S ARTICLE ON AGED

SK130427 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 12 Mar 87

[Text] On 13 March LAONIAN BAO [THE AGED NEWS] carries an article by Comrade Sun Weiben, secretary of the provincial party committee, entitled "Develop the Undertaking on Aging and Carry Forward the Traditional Virtue."

The article points out: Party organizations and government leading personnel at all levels should attach importance to or show concern for the work on aging and place the work on their daily schedule. It is also necessary for them to strengthen their leadership over the work and to frequently attend to the work. Meanwhile, full-time personnel should be assigned to taking charge of the work.

In his article Sun Weiben stressed: We should consider the work on aging an important task in building the spiritual civilization and do a good job in grasping the work. Efforts should be made to carry forward the traditional virtue of the Chinese nation with regard to respecting and cherishing the aged and to foster fine new morale throughout the society as a whole.

JILIN'S GAO DI AT PEOPLE'S CONGRESS WORK MEETING

SK150734 Changchun Jilin Provincial Service in Mandarin 2200 GMT 14 Mar 87

[Text] The provincial conference on the work of people's congresses concluded in Changchun on the afternoon of 14 March. The conference was held by the provincial party committee from 12 to 14 March. The major purpose of the conference was to discuss how to strengthen party leadership over the people's congress work, improve socialist democracy and the legal system, further strengthen the people's congress work, and enable people's congresses to perform their functions as local organs of state power. It summed up and exchanged experiences in the work of the people's congresses at various levels throughout the province gained over the past year. Comrade Wang Zhongyu presided over the conference.

Attending were leading comrades of the provincial party committee, Advisory Commission, People's Congress, government and CPPCC Committee, including Gao Di, Zhao Xiu, Gao Dezhan, Liu Jingzhi, Huo Mingguang, Du Qinglin, Chen Hong, Liu Cikai, Cui Lin, Wang Jiren, Yu Ruihuang, Dong Su, Renqinzhamusu, Zhu Jinghang, Xu Yuancun, Gao Wen, Liu Shulin, and Wang Jinshan. Also attending were the president of the provincial court, the chief procurator of the provincial procuratorate; responsible comrades of various city, autonomous prefectural, county, and city district People's Congress standing committees; and the Baicheng prefectural office; and responsible persons of various provincial departments. Comrades Gao Di, Zhao Xiu and Gao Dezhan spoke at the conference.

The conference noted: Since December 1985, when the first provincial conference on people's congress work was held, party committees at various levels have strengthened leadership over the work, and people's congresses at various levels have achieved new progress in their work. Governments, courts, and procuratorates, showing respect for the functions and powers of people's congresses, have taken the initiative in subjecting themselves to the supervision of people's congresses, and gradually made this into a system.

The conference emphasized that upholding the four cardinal principles, opposing bourgeois liberalism, and safeguarding the political situation of stability and unity in the new situation are important tasks for local party committees and organs of state power. It urged: It is necessary to enhance understanding of the importance of strengthening the socialist legal system. Party organizations at all levels should strengthen leadership over the work of people's congresses, and support them in their endeavors to exercise their functions and powers according to law. People's congresses at various levels should rely on party committees, resolutely act according to the law, strengthen their work of legal supervision, and ensure the implementation of the party's line, principles, policies, and resolutions. Governments, courts, and procuratorates at various levels should further carry out their work strictly according to law, take more initiative in subjecting themselves to the supervision of people's congresses, and serve the people wholeheartedly.

The Changchun and Siping City People's Congress Standing Committees, the Baicheng prefectural office of the provincial People's Congress, and eight other units introduced their work situations and experiences at the conference. Huo Mingguang, vice chairman of the provincial People's Congress Standing Committee, spoke on how people's congresses at various levels should relay the guidelines of this conference.

LIAONING'S QUAN SHUREN REVIEWS EDUCATIONAL WORK

SK070927 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 6 Mar 87

[Text] The 5-day provincial educational work conference ended in Shenyang today. Quan Shuren, secretary of the provincial party committee, attended today's session and delivered an important speech.

He said: Over the past few years, viewing the overall situation, the province's educational front has implemented the line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee, and has adhered to the four cardinal principles; the main trend of the educational reform has been good; and comrades on the educational front have positively engaged and scored great achievements in their work.

At present, however, some problems crying for immediate solutions also exist in the educational work. In addition to the problems in developing various undertakings, a conspicuous problem is the inroads of bourgeois liberalism into various universities and colleges in varying degrees over the recent period, which have affected their teaching orientation and ideological and political work, and caused ideological confusion among their students and teachers. Therefore, if we refuse to oppose bourgeois liberalism, we will be unable to distinguish right from wrong on the issues of major importance, to seek unity of our thinking, and to eliminate the unstable factors. We should profoundly understand the importance, protracted nature, and difficulty of the struggle of opposing bourgeois liberalism.

Quan Shuren said: To oppose bourgeois liberalism on the educational front, we must first organize studies and discussions among leading bodies. We should sum up experiences and lessons of various schools in line with their reality of ideological and political work with an aim to radically solve the problems in the issues of political orientation and principles. We should strengthen the study of Marxism and Leninist theories, enhance our comprehension of political theories, and heighten our consciousness in maintaining political unanimity with the party Central Committee.

We should organize party members to once again study the party Constitution and the important speech by Comrade Deng Xiaoping on adhering to the four cardinal principles in order to step up their party spirit. We should also strengthen the building of party and the CYL organizations among schools.

Quan Shuren said: All schools must correctly and comprehensively understand the line since the 3d Plenary Session of the 11th CPC Central Committee, and should adhere to the socialist orientation in teaching. Whether our students are well-educated laborers who adhere to socialist orientation has a direct bearing on the political competence of the intellectuals' ranks and on the issue of what kind of persons will succeed our cause in the future. What we need are persons who adhere to socialist orientation and who also have scientific and general knowledge. We should resolutely change the tendency of paying no attention to education on Marxism and Leninism, and should guide the students to foster the practical, labor, and mass viewpoints in order to improve their political competence.

Strengthening ideological and political work is a task of top priority at present. Party committees of all schools should concentrate their major energies in conducting ideological and political work. Headmasters and presidents, as well as teachers, of all schools should engage in ideological and political work. They should not only impart knowledge to but also educate their students.

Comrade Quan Shuren also stressed: Training and bringing up competent people is the work of the entire party and the entire society. Party committees and governments at all levels, as well as various trades and professions, should give guidance and support to the educational work from the high plane of training successors for the communist cause, and should strive to achieve success in the reform of educational work.

During the conference, Vice Governor Lin Sheng relayed the guidelines of the conference on the work of the State Educational Commission. The Shenyang Agricultural University and some other units introduced their experiences on strengthening ideological and political work. Participants in the conference conscientiously discussed the major points of the province's educational work for this year. They unanimously maintained that this year they will adhere to the four cardinal principles, oppose bourgeois liberalism, grasp the correct political orientation of the educational work, and comprehensively implement the party's educational principle with a clear-cut stand and in close connection with the reality of the educational front.

LIAONING'S WANG YACHEN ELECTED MAYOR OF FUXIN

SK170510 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 16 Mar 87

[Text] The Fifth Session of the Ninth Fuxin City People's Congress concluded on the afternoon of 15 March after a 5-day session. At the session, Wang Yachen was elected mayor of the city.

QINGHAI SETS UP RESERVE INFANTRY REGIMENT

HK140159 Xining Qinghai Provincial Service in Mandarin 2300 GMT 13 Mar 87

[Excerpts] On the morning of 12 March, a gathering was held in Pingan town, the seat of Haidong Prefecture, for the establishment of the prefectural reserve service infantry regiment. [passage omitted] Present at the event were Dong Zhanlin, deputy commander of Lanzhou Military Region; and leading comrades of the party, government, and Army in Qinghai including Yin Kesheng, Liu Feng, Lu Baolin, Ma Wanli, Song Lin, and (Guan Qie). Haidong military subdistrict commander (Lu Puyang) presided. [passage omitted]

Dong Zhanlin presented the army flag to the regiment and reviewed the unit together with the provincial leaders. [passage omitted]

XINJIANG RULING ON CPC PARTY DISCIPLINE, SPIRIT

HK170247 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 15 Mar 87

[Text] The autonomous regional Discipline Inspection Commission recently held its sixth plenary session and adopted a resolution on enforcing the party's political discipline and strengthening education in party spirit.

The resolution noted: Our autonomous region's discipline inspection commissions at all levels must regard the task of enforcing political discipline and the task of strengthening education in party spirit as their important tasks for this year and truly promote the building of party style in our autonomous region.

The resolution stressed: Enforcing the party's political discipline is an important guarantee in safeguarding a high degree of unity in our party. Party organizations and discipline inspection departments at all levels must regard the strengthening of political discipline as an important item on their agenda and affirm anew the party's political discipline among party members. Every party member must maintain a high degree of ideological and political unity with the party Central Committee and unswervingly implement the party Central Committee's line, guiding principles, policies, and resolutions.

The resolution noted: It is the whole party's task to take a clear-cut stand on opposing bourgeois liberalization. Regarding those party members who have (turned a deaf ear to caution), promoted bourgeois liberalization, and seriously harmed the party's interests, we must not adopt a tolerant attitude toward them. Discipline inspection departments must bravely stand in the forefront of the struggle, resolutely safeguard the four cardinal principles, and shoulder the sacred duty of safeguarding the party's political discipline.

The resolution also noted: Strengthening education in party spirit is an effective measure to ensure the party's ideological unity and is also an important guarantee for safeguarding the party's political discipline. Party organizations at all levels must conscientiously organize all their party members to study a series of important directives issued by the central authorities on upholding the four cardinal principles and opposing bourgeois liberalization, conduct reeducation for their party members in the party Constitution and norms, and conduct education for their party members on ideals, on the aims of the party, on the legal system, on the policy toward minority nationalities, and on the unity of all nationalities, so as to fundamentally improve their party members' consciousness of party spirit.

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PRC-PORTUGUESE TALKS ON MACAO TO OPEN 18 MAR

OW140906 Beijing XINHUA in English 0900 GMT 14 Mar 87

[Text] Beijing, March 14 (XINHUA) -- The Government of the People's Republic of China and the Government of the Republic of Portugal have decided through consultation that the fourth round of talks on the settlement of the question of Macao will begin on March 18, 1987 in Beijing.

This was announced by the Chinese Foreign Ministry in a press communique here today.

MACAO AGREEMENT NOT NECESSARY BEFORE NPC SESSION

HK140300 Hong Kong SOUTH CHINA MORNING POST in English 14 Mar 87 p 3

[Text] China may not need an agreement on Macao's future before the People's National Congress annual full session later this month, according to a senior official.

China's position regarding a "hasty" Sino-Portuguese agreement was clarified yesterday by the Secretary General of the Hong Kong and Macao Affairs Office under the State Council, Mr Lu Ping.

Even if the agreement could not be submitted to this year's NPC session in time for ratification, he said, there were other ways to resolve the issue without awaiting another year.

Mr Lu said the date of the next round of talks had not been fixed as discussions were going on.

He indicated that the Macao agreement might include clauses on land but in lesser detail compared with those in the Hong Kong pact.

Western diplomats had earlier said China was eager for an agreement before the next NPC session started in Beijing on March 25.

Meanwhile, the SOUTH CHINA MORNING POST's Macao correspondent reported that the Director of Chinese Affairs, Mr Belmiro de Sousa, who is chief interpreter for the talks, left for Beijing on Thursday.

PRC, PORTUGAL SET TO AGREE ON 1999 HANDOVER

HK170344 Hong Kong AFP in English 0330 GMT 17 Mar 87

[By Pierre-Antoine Donnet]

[Excerpts] Beijing, March 17 (AFP) -- A fourth round of Sino-Portuguese talks beginning here Wednesday is expected to reach agreement on the return of the tiny Portuguese-run territory of Macao to Chinese rule in 1999, informed sources said here.

A Portuguese diplomat, who asked not to be identified, said an agreement in principle would probably be initialled during this round of negotiations, clearing the way for a accord to be signed shortly afterwards.

"An agreement is likely since both sides are eager to end the talks," he said.

He said he did not know how long the fourth round would last or whether the complete text of any agreement would be made public.

Chinese informed sources said that if agreement was reached Portuguese Prime Minister Anibal Cavaco Silva would come to Beijing in June to sign the accord. [passage omitted]

A spokesman for the Chinese Foreign Ministry, Ma Yushen, said of the forthcoming talks at a press briefing here on Wednesday: "I am optimistic." [passage omitted]

A spokesman for the Portuguese Embassy here said that in the fourth round of talks, as in the previous round late last year, the Portuguese side would be led by Rui Medina, Portugal's ambassador to the United Nations, and the Chinese side by Vice-Minister of Foreign Affairs Zhou Nan. [passage omitted]

PRC EXPECTS ACCORD 'WITHIN NEXT FEW DAYS'

HK171028 Hong Kong AFP in English 1023 GMT 17 Mar 87

[Text] Beijing, March [no date as received] (AFP) -- China's chief negotiator in talks with Portugal on the return of Macao said Tuesday he expected an accord to be reached within the next few days.

Asked by reporters whether an accord would be signed before China's National People's Congress convened on March 25, deputy Foreign Minister Zhou Nan said "I hope so."

When asked whether there were still problems to be settled with Portugal he said: "You will be able to see in a couple of days."

Mr Zhou was speaking at the airport where he was awaiting the arrival of Portugal's ambassador to the United Nations, Rui Medina, who will lead the Portuguese team in a fourth round of negotiations with China.

The talks begin Wednesday but it is not known how long they will last.

Informed Chinese and Portuguese sources said the two sides have agreed that Beijing will resume sovereignty over Macao in 1999.

Macao has been a Portuguese colony since 1557. Beijing and Lisbon agreed that Macao was Chinese territory under Portuguese administration when they established diplomatic relations in 1979.

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